

Leicester
City Council

MEETING OF THE AUDIT AND RISK COMMITTEE

DATE: WEDNESDAY, 24 NOVEMBER 2021

TIME: 5:30 pm

PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Committee

Councillor Kaur Saini (Chair)

Councillor Pantling (Vice-Chair)

Councillors Ali, Joshi, Dr. Moore and O'Donnell

One Labour Group vacancy (to be notified)

One Non-Group vacancy (to be notified)

Members of the Committee are summoned to attend the above meeting to consider the items of business listed overleaf.

for Monitoring Officer

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- ✓ to respect the right of others to view and hear debates without interruption;
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- ✓ where filming, to only focus on those people actively participating in the meeting;
- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

Further information

If you have any queries about any of the above or the business to be discussed, please contact Angie Smith, Democratic Support on **(0116) 454 6354** or email angie.smith@leicester.gov.uk

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PUBLIC SESSION

AGENDA

FIRE / EMERGENCY EVACUATION

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1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business to be discussed.

3. MINUTES OF THE PREVIOUS MEETING

**Appendix A
(Pages 1 - 8)**

The Minutes of the previous meeting of the Audit and Risk Committee held on 29th September 2021 are attached, and Members will be asked to confirm them as a correct record.

4. LEICESTER CITY COUNCIL AUDIT PROGRESS REPORT AND SECTOR UPDATE

**Appendix B
(Pages 9 - 26)**

The External Auditor submits a report to the Audit and Risk Committee on progress in delivering responsibilities as external auditors.

Committee Members are recommended to note the report and make any comments if required to the Deputy Director of Finance and External Auditors.

5. ANNUAL INSURANCE REPORT 2021

**Appendix C
(Pages 27 - 36)**

The Deputy Director of Finance submits a report which presents an overview of the Council's internal and external insurance arrangements and provides information on the claims received in recent years, and the results of the claims handling process.

The Committee is recommended to note the contents of the report and the Council's approach to ensuring it is managing the financial risk associated with claims.

6. ANNUAL REPORT ON THE NATIONAL FRAUD INITIATIVE (NFI)

**Appendix D
(Pages 37 - 40)**

The Deputy Director of Finance submits a report which provides information to the Audit and Risk Committee on the National Fraud Initiative (NFI) exercises

currently underway.

The Committee is asked to note the report.

7. COUNTER FRAUD MID-YEAR UPDATE REPORT 2021 **Appendix E**
(Pages 41 - 46)

The Deputy Director of Finance submits a report to the Committee which provides a mid-year update on the work carried out by the Corporate Investigations Team for the period 1st April 2021 to 30th September 2021.

The Committee is recommended to receive and comment on the report and make any recommendations it sees fit to the Executive and/or to the Chief Operating Officer / s151 Officer or Deputy Director of Finance.

8. STRATEGIC AND OPERATIONAL RISK REGISTERS / **Appendix F**
HEALTH AND SAFETY DATA **(Pages 47 - 86)**

The Director of Delivery, Communications and Political Governance submits a report to the Audit and Risk Committee which provides an update on the Strategic and Operational Risk Registers and Health and Safety Data.

Committee Members are recommended to note the Strategic Risk Register and Operational Risk Register (as at 30th September 2021), note the Health and Safety Data and make any comments to the Director of Delivery, Communications and Political Governance.

9. DECISION TO OPT INTO THE NATIONAL SCHEME **Appendix G**
FOR AUDITOR APPOINTMENTS MANAGED BY PSAA **(Pages 87 - 100)**
AS THE 'APPOINTING PERSON'

The Deputy Director of Finance submits a report to the Committee which sets out proposals for appointing the External Auditor to the Council for the accounts for the five-year period from 2023-24 to 2027-28.

The Audit and Risk Committee is asked to recommend to Council that the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

10. PROGRESS AGAINST INTERNAL AUDIT PLANS **Appendix H**
(Pages 101 - 116)

The Internal Auditor submits a report to the Audit and Risk Committee to provide:

1. a summary of progress against the 2020-21 & 2021-22 Internal Audit Plans
2. information on resources used to progress the plans
3. summary information on high importance recommendations and progress with implementing them

4. provide brief information on projects that the Chartered Institute of Public Finance and Accountancy (CIPFA) is currently undertaking that relate to public sector internal audit and audit committees.

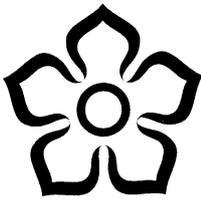
The Committee is recommended to note the contents of the routine update report.

11. AUDIT AND RISK COMMITTEE WORKPLAN

Appendix I
(Pages 117 - 118)

The Audit and Risk Committee Workplan is attached for information.

12. ANY OTHER URGENT BUSINESS



Leicester
City Council

Appendix A

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 29 SEPTEMBER 2021 at 5:30 pm

P R E S E N T:

Councillor Kaur Saini (Chair)
Pantling (Vice Chair)

Councillor Ali

Councillor Joshi

In Attendance

Councillor O'Donnell

* * * * *

18. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dr. Moore and O'Donnell. Councillor O'Donnell, however, joined the meeting remotely but could not be recorded as present under the Local Government Act 1972 which requires Members to be present in the room where the meeting was being held.

19. DECLARATIONS OF INTEREST

There were no declarations of interest made.

20. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 21 July 2021 be confirmed as a correct record.

21. STATUTORY STATEMENT OF ACCOUNTS & ANNUAL GOVERNANCE STATEMENT 2020/21

The Chief Operating Officer (in her capacity as the s151 officer) submitted a report to the Audit and Risk Committee which sought approval for the Council's Annual Governance Statement and Statutory Statement of Accounts for 2020/21 as required under the Accounts and Audit (England) Regulations

2015. The report also provided the Committee with an update from the External Auditor, which detailed their audit work and recommendations.

Ben Matthews, Senior Accountant (Capital and Projects) presented the report.

Members were reminded that the draft Statement of Accounts and Annual Governance Statement were presented at the previous meeting of the Committee on 21 July 2021. Members were informed the Statutory Statement of Accounts with minor adjustments, the Annual Governance Statement 2020/21 and Letter of Representation were recommended to be approved by the Committee.

The following key points were brought to Members' attention:

- The Statement of Accounts Audit was all but completed. There were three adjustments to put through, but it was important to note the changes would not affect the Council's useable reserve balances.
 - The impairment of two assets that should not have been held on the balance sheet, namely, St Margaret's Bus Station and Waterside Primary Project.
 - The updating of some Housing Revenue Account asset values.
 - A future adjustment to the accounts as a result of late changes to the pension fund report following an update in asset valuations. Information was still awaited and the change had not been made to the accounts presented.
- Due to the fact the changes would not have any effect on the useable reserve balances, officers were seeking delegated authority to the Section151 officer to approve the changes.
- There were no changes to the Annual Governance Statement since the presentation of the draft report.

Grant Patterson (Grant Thornton LLP UK, External Auditors) presented the draft ISA 260 report, and draft audit findings.

Members noted that:

- Thanks were expressed to the Deputy Director of Finance, Head of Finance and Team for their assistance and support to the External Auditor.
- Audit adjustments were detailed in Appendix C to the report, none of which affected the bottom-line figure of the financial statements.
- External Audit were proposing an unqualified opinion on the Council's financial statements.
- In terms of Value for Money (VFM), External Audit were not in a position to finalise the VFM conclusion. In line with the National Audit Office's revised deadline due to the pandemic, the Annual Audit Report could be issued within three months of the audit opinion, and was expected to be finalised by December 2021.
- As part of the overall conclusion the report contained a narrative statement and annual governance statement as other information, and there were no matters to raise.

- In terms of detailed work, most of the audit work was substantially complete, and outstanding works were RAG rated.
- In terms of valuation of land and buildings, some queries had been returned back to the valuer, and information was expected back within a few days, but was not expected to be material.
- The IAS19 valuation report was received and the Council's accounts required amendment, but there were no matters of concern.
- Work was to be completed on the Expenditure and Funding Analysis. The issue being looked at nationally was whether councils had been putting enough money aside for commitments entered into. External Audit were not anticipating any issue with the Council but statements needed to be finalised.
- A query in relation to infrastructure had been closed.
- A query regarding disclosure of accounting standards was being looked at under IFRS16, but would not come into effect until 2022/23.
- As an update for members, it was noted the Council would not have access to the Whole of Government Accounting pack until December, and External Auditors would not be able to confirm the audit closed, but could submit the audit opinion.
- Materiality for the financial statements was £15.25million (1.5% of the Council's gross operating expenses), and was capped at that level.
- Performance materiality had been reduced from 75% to 65%.
- IT audit specialists had looked at the Council's IT general controls, mainly around i-Trent, Civica, Unit-4 and Active Directory. Areas for improvement had been found and management contacted. The review had been very detailed.
- In terms of fraud in revenue recognition and expenditure, following evaluation and sampling, the risk had been rebutted and there were no significant risks to draw to the attention of the Committee.
- The report highlighted accounting for Covid grants. External Auditors had sampled those grants as part of overall grants testing procedures and were satisfied with the Council's revenue recognition.
- Valuation of land and buildings continued to be a focus of audit work, mainly around year-end balance and evaluations, and use of expert valuer. It was noted the internal valuer had not physically inspected some of the buildings, therefore auditors had paid more attention to impairment and/or obsolescence. Recommendations made last year had been undertaken, and the Council had looked to increase its own quality assurance processes this year.
- Identified to date was St Margaret's Bus Station has been demolished prior to period end and was not picked up as part of the close-down process. Officers had recognised this as part of the audit query and amended the balance. An overstated balance of £2.5m was recorded in the draft financial statements since corrected, which related to the Waterside Primary Project which had been discontinued.
- On the Council's fixed asset register there were 880 assets with a gross book value of £35.8m, but fully depreciated with a net book value of £nil. It was recommended the Council review those assets and take action as appropriate if no longer in use, for example depreciated IT equipment,

vehicles which could have been disposed of already or be of minimal value. It would be a time-consuming project to undertake, and it was suggested it occur over 2021/22.

- Work was complete on the valuation of council dwellings. There was a gap towards the year end between list of properties and new build, but the Council had taken on board the recommendation from external audit last year and action had been taken to address the gap. There was a small number of additions at £1.9million and was not material for the statements.
- With regards to the valuation of net pension fund liability, it represented a significant estimate in the financial statements. New IAS19 valuation reports were expected and the Council's pension disclosures might need to be updated because of material differences between the original valuation and updated one.
- Work had been undertaken on the Council's operating expenditure. Sample payments had been tested, and there were no matters to report.
- New issues and risks were presented in the report. It was noted that the though implementation of IFRS16 would come in on 1 April 2022, auditors had asked the Council to include disclosure on their 2020/21 statements.
- Auditors had looked at general IT controls in place. Some room for improvement had been found, primarily around access rights assigned to system users, identity and removal of access rights, and segregation of duties.
- In matters in relation to related parties, with the Leicestershire County Cricket Club loan, it was noted that more information than required could be disclosed in financial statements, and this had been flagged with officers.
- It was noted there was slight change in emphasis to Practice Note 10, whilst looking at cash flow, there was now a broader recognition that service provision was a key function, the focus of which was services would transfer to other bodies if the Council was unable or not required to provide them.
- There were no issues of going concern to report.
- The Whole of Government Accounts would not be available from Government until December 2021 so could not be certified.
- Financial sustainability was a focus of external audit under the new Code which required a more detailed account and commentary to Council. It was reported there were no significant weaknesses in the Council's financial sustainability.
- As previously reported, a staff member of Grant Thornton's PSA team in Birmingham, with a close family member at Leicester City Council, had been excluded from the audit to avoid any perception of conflict.
- Previous year recommendations had been addressed apart from the valuation process as noted earlier.
- Appended to the report was the Management Letter of Representation, which set out how management had provided required information.
- It was noted that fees had not changed for the audit and provision of non-audit services.

In response to Members' questions, the following information was provided:

- Members were confident officers were looking after the City's purse. In

picking up on the valuation of assets process at the time of writing the report, two errors had been identified from the work done to date. Members asked for assurance that, whilst they were approving the financial statements, there was no cause for concern. Members were informed that while the full recommendation had not been completed, the authority had put in a lot of controls and processes in place which had made the asset valuation process a lot smoother. Officers also offered assurance to the Committee that nothing impacted the funds of the Council available for spending and were purely accounting arrangements. There was continued progress and work with the Estates and Building Services Team had improved the process further.

In summing up Amy Oliver, Head of Finance, reminded the Committee they were being asked to approve the Statutory Statement of Accounts, Annual Governance Statement, and Letter of Representation which would be signed off by the Committee as well as the Section 151 Officer.

Officers reiterated that some of the changes made on the accounts were only affecting unusable reserves and not funding available to the Council. It was also noted that the IAS19 pension entry of £32million was a large number but was not affecting the funds to the Council and was an accounting entry.

It was further noted that officers continued to work on recommendations with regards to valuations and IT, and there continued to be conversations with IT and external audit.

The Chair and Members thanked officers for the in-depth report, the time given to the Committee, training, support and questions.

RESOLVED:

That the Audit & Risk Committee:

1. note the auditor's ISA 260 Report to those charged with Governance and the recommendations contained within it;
2. approve the Statement of Accounts for 2020/21;
3. approve the Annual Governance Statement 2020/21;
4. approve the letter of representation submitted by the Chief Operating Officer (S151);
5. delegate authority to approve minor amendments to the Annual Accounts and Annual Governance Statement to the Chief Operating Officer (S151), subject to a report to the Committee at the next meeting;
6. delegate authority to the Chief Operating Officer (S151) to make the IAS 19 adjustments as detailed in the report.

22. PROCUREMENT ANNUAL REPORT 2020/21

The City Barrister and Head of Standards submitted a report to the Audit and Risk Committee on the Council's Contract Procedure Rules as required annually. The purpose of the report was to inform the Committee of the activity of the procurement function of the Council over 2020/21 financial year (which

comprised three specialist procurement teams: Procurement Services, ICT Procurement and ASC Procurement) and evidence compliance with the requirements of the Contract Procedure Rules.

Neil Bayliss, Head of Procurement, presented the report as required under the Council's Constitution and Contract Procedure Rules, and brought to Members' attention key aspects of the report as follows:

- There had been no impact from Brexit on procurement in terms of processes. Rules and contract procedures were not affected. However, supply difficulties were starting to be seen, for example, fuel and building materials.
- There were two changes to contract procedure rules to be brought to the attention of Members:
 - A minor change under Rule 16.6 to reflect the change in management structure following the appointment of the Director of Finance to Chief Operating Officer, and the responsibility for IT now sat with the Director of Delivery, communications and Political Governance;
 - Amendment to the wording of Rule 32 (Reserved Contracts) as outlined in the report, which talked about reserved contracts below a threshold and could only be used for Services contracts. The change had been introduced to help procurement services work with and award contracts to local businesses and voluntary and community sector organisations.
- The report gave an overview of key statistics in terms of contracts awarded as a procurement function of the Council, in total 185 contracts were awarded, and the variety of procurement activity was significant.
- It was important to note the Council's procurement function played an important role to the Covid-19 pandemic, the most significant part being procurement of PPE equipment.
- The summary of waivers highlighted a significant reduction in the number of waivers. There had been an increase in value largely down to one significant value of construction works which was needed to ensure the Council met grant funding timescales and to assist with carbon reduction in council houses.

The Chair thanked the officer for the report.

RESOLVED:

1. That the Committee note the contents of the report and make any comments to the City Barrister and Head of Standards.

23. PROGRESS AGAINST INTERNAL AUDIT PLANS

The Internal Auditor submitted a report which provided the Audit & Risk Committee with a summary of progress against the 2020/21 and 2021/22 Internal Audit Plans, information on resources used to progress the plans and summary information on high importance recommendations and progress with implementing them.

Neil Jones, Head of Internal Audit Service (HoIAS), presented the report and highlighted the following information:

- Under the Council's Constitution the Committee had a duty to monitor performance against the Internal Audit Plan and the receive summaries of Internal Audit reports and the main issues arising.
- It was noted that the Internal Audit Service continued to work remotely and continued to experience service pressures. Nevertheless, things were progressing and had improved over the past few weeks.
- Appendix 1 to the report provided a rolling picture against audits completed, in progress or due to start. Anything in bold font noted a change in status since it was last reported to Committee. A further five audits had been completed since the writing of the report, and some audits had moved from 'planning' to 'work in progress' stage.
- Information was summarised at paragraph 9 in the report and showed 221 days of resources had been provided.
- The implementation of high important recommendations was reported on in detail at Appendix 2 to the report, and anything in bold font depicted a change from when it was last reported to Committee in July 2021.
- Further updates had been received on two audits' recommendations: Government Procurement Cards; and Social Value within Procurement.

The Chair thanked Neil and officers for the report.

RESOLVED:

1. That the Committee note the contents of the update report.

24. AUDIT & RISK COMMITTEE WORKPLAN

The Committee workplan was noted.

The Deputy Director of Finance noted the number of reports planned to be presented at the November meeting was particularly large. A view would be taken at the agenda items and timings for the next meeting.

25. ANY OTHER URGENT BUSINESS

There being no items of urgent business the meeting closed at 6.31pm.

Leicester City Council Audit Progress Report and Sector Update

24 November 2021



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

Your key Grant Thornton team members are:

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This paper provides the Audit and Risk Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit and Risk Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at November 2021

2020/21 Financial Statements Audit

We undertook our initial planning for the 2020/21 audit in January 2021, and interim audit in February and March.

In March we issued a detailed audit plan, setting out our proposed approach to the audit of the Authority's 2020/21 financial statements, and we began our work on your draft financial statements in June.

At the last Committee meeting on 29 September we reported to you our Audit Findings Report which at the time including some outstanding items which were still a work in progress, including anticipated changes to the accounts. Subsequently, a final version of the Audit Findings Report was provided to management on 15 October 2021 concurrently with our signed audit opinion.

We can provide the updated report to members on request but we summarise the final findings below.

Adjusted misstatements

12 4 adjustments were made, none of which resulted in an adjustment to the Council's Comprehensive Income and Expenditure Statement, or impacted on the Council's usable reserves:

- 1) Derecognition of St Margaret's Bus Statement -£10.1m
- 2) Derecognition of the Waterside assets under construction £2.5m
- 3) Correction of capital expenditure which had been written off as not adding value in the Housing Revenue Account £2.4m
- 4) Update to pension accounting as a result of the revised IAS19 report

Unadjusted Misstatements

There were 4 unadjusted misstatements reported, which management did not adjust for on the grounds of materiality:

- 1) Overstatement of the valuation of Braunstone Leisure Centre which had arisen as a result of applying an incorrect gross internal area of £1.2m.
- 2) Understatement of the valuation of Haymarket Car Park as a result of a transposition error of £1.6m.

- 2) Overstatement of Forest Lodge Education Centre as a result of a transposition error of £0.8m.
- 3) Overstatement of the valuation of Soar Valley College as a result of a transposition error of £0.7m.

These errors were considered immaterial both individually and in aggregate. The net impact on the Statement of Financial Position would have been to increase the value of Property, Plant & Equipment by £1.0m, had the adjustments been made.

2020/21 Value for Money

The new Code of Audit Practice (the "Code") came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code is the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required. The new approach is more complex, more involved and is planned to make more impact.

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies auditors are required to issue our Auditor's Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements.

The extended deadline is now no more than three months after the date of the opinion on the financial statements, which would be 15 January 2022. In our Audit Findings Report (including our letter setting out the reasons for delay) we confirmed that we anticipate issuing our Annual Auditor's Report prior to Christmas.

Progress at November 2021 (cont.)

Other areas

Certification of claims and returns

We certify the Authority's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). Initial work was performed for the 2020/21 claim in June, and then paused while we focussed on the audit of the Authority's financial statements. We have recommenced work and will aim to report our findings to the Audit and Risk Committee in the new year.

We certify the Authority's annual Teachers' Pensions return in accordance with procedures agreed with Teachers' Pensions. Officers have provided us with the supporting documentation requested for our sample testing and our review of this evidence is currently underway.

We also certify the Authority's annual Pooling of Housing Capital Receipts return in accordance with procedures agreed with the Ministry of Housing, Communities & Local Government. (MHCLG) – now the Department for Levelling Up, Housing and Communities (DLUHC). Guidance has recently been issued, and officers have made contact with us to certify the claim for 2020/21. Grant Thornton's legal team is in the process of drafting an appropriate engagement letter, which we will issue to the Authority when available in order that we can commence work.

Events

We provide a range of workshops, along with network events for members and publications to support the Authority. Your officers will be invited to our Financial Reporting Workshop in the new year, which will help ensure that members of your Finance Team were up to date with the latest financial reporting requirements for local authority accounts.

Further details of the publications that may be of interest to the Authority are set out in our Sector Update section of this report.

Progress at November 2021 (cont.)

CFO insights

CFO Insights is an online software service offering from Grant Thornton UK LLP that enables users to rapidly analyse, segment and visualise all the key data relating to the financial performance of a local authority. The financial data, revenue outturn and budget data for the current year and the previous year (and in time up to 10 years), is provided by CIPFA and the socio-economic data is drawn from Place Analytics. The data is contextualised using a range of socio-economic indicators enabling a local authority to understand its relative performance.

It is reported to you here, as the Council has taken out a subscription to this service for three years at £12,500 annually.

We have set out our consideration of the threats to our independence as auditors, in providing this non-audit service, and the safeguards that have been applied to mitigate these threats.

	Audit-related service	Fees £	Threats identified	Safeguards
14	CFO insights	12,500 (per annum for 3 years)	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is anticipated to be £12,500 in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
			Self-review (because GT provides audit services)	To mitigate against the self review threat , the work is undertaken by a team independent of the audit team. The audit will consider the accounting treatment of the payments made and this is not part of CFOi service. There is not considered to be a significant self-review threat.

Deliverables

2020/21 Audit Deliverables

Audit Plan

We are required to issue a detailed audit plan to the Audit and Risk Committee setting out our proposed approach in order to give an opinion on the Authority's 2020/21 financial statements and the Auditor's Annual Report on the Authority's Value for Money arrangements.

Planned Date

March 2021

Status

Complete

Audit Findings Report

This reports the findings of our audit work on the Authority's financial statements

September 2021

Complete

Auditors Report

This is the opinion on your financial statements.

September 2021

Completed and issued 15 October 2021

Auditor's Annual Report

This Report communicates the key issues arising from our Value for Money work.

Christmas 2021

Not yet due

2020/21 Audit-related Deliverables

Teachers Pensions Scheme – certification

This is the report we submit to Teachers Pensions based upon the mandated agreed upon procedures we are required to perform.

Planned Date

30 November 2021

Status

Not yet due

Housing Benefit Subsidy – certification

This is the report we submit to Department of Work and Pensions based upon the mandated agreed upon procedures we are required to perform.

31 January 2022

Not yet due

Pooling of housing capital receipts - certification

This is the report we submit to Ministry of Housing, Communities and Local Government based upon the mandated agreed upon procedures we are required to perform.

4 February 2022

Not yet due

FRC AQR report on major local audits

On 29 October, the FRC published its annual report setting out the findings of its review of the work of local auditors. The report summarises the results of the FRC's inspections of twenty audit files for the last financial year. A link to the report is here: [FRC AQR Major Local Audits October 2021](#)

Grant Thornton are one of seven firms which currently delivers local audit work. Of our 330 local government and NHS audits, 87 are currently defined as 'major audits' which fall within the scope of the AQR. This year, the FRC looked at nine of our audits.

Our file review results

The FRC reviewed nine of our audits this year. It graded six files (67%) as 'Good' and requiring no more than limited improvements. No files were graded as requiring significant improvement, representing an impressive year-on-year improvement. The FRC described the improvement in our audit quality as an 'encouraging response by the firm to the quality findings reported in the prior year.' Our Value for Money work continues to be delivered to a high standard, with all of the files reviewed requiring no more than limited improvement. We welcome the FRC findings and conclusions which demonstrate the impressive improvement we have made in audit quality over the past year.

The FRC also identified a number of good practices including effective challenge of management's valuer, use of an auditor's expert to assist with the audit of a highly specialised property valuation, and the extent and timing of involvement by the audit partner on the VFM conclusion.

Our results over the past three years are shown in the table below:

Grade	Number 2018/19	Number 2019/20	Number 2020/21
Good with limited improvements (Grade 1 or 2)	1	1	6
Improvements required (Grade 3)	2	5	3
Significant improvements required (Grade 4)	1	0	0
Total	4	6	9

Our continued commitment to Audit quality and continuous improvement

Our work over the past year has been undertaken during the backdrop of COVID, when the public sector has faced the huge challenge of providing essential services and helping safeguard the public during the pandemic. Our NHS bodies in particular have been at the forefront of the public health crisis. As auditors we have had to show compassion to NHS staff deeply affected by the crisis, whilst staying focused on the principles of good governance and financial management, things which are more important than ever. We are very proud of the way we have worked effectively with audited bodies, demonstrating empathy in our work whilst still upholding the highest audit quality.

Over the coming year we will make further investments in audit quality including strengthening our quality and technical support functions, and increasing the level of training, support and guidance for our audit teams. We will address the specific improvement recommendations raised by the FRC, including:

- Enhanced training for local auditors on key assumptions within property valuations, and how to demonstrate an increased level of challenge
- Formalising our arrangements for the consideration of complex technical issues by Partner Panels.
- As part of our enhanced Value for Money programme, we will focus on identifying the scope for better use of public money, as well as highlighting weaknesses in governance or financial stewardship where we see them.

Conclusion

Local audit plays a critical role in the way public sector audits an society interact, and it depends on the trust and confidence of all those who rely on it. As a firm we're proud to be doing our part to promote good governance, effective stewardship and appropriate use of public funds.

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A dark purple rectangular button with the text "Local government" in white, sans-serif font, centered within the button.

Local
government

What can be learned from Public Interest Reports? – Grant Thornton

2020 will be remembered as a tumultuous year in local government, with the pandemic creating unprecedented pressure on the sector. It also saw the appearance of two Public Interest Reports (PIRs), followed by another in January this year – the first to be issued in the sector since 2016. PIRs can be issued by local auditors if there are significant concerns around council activity, such as major failings in finance and governance.

The recent PIRs have made headlines because, up to this point, very few have ever been issued. But, as our latest report “Lessons from recent Public Interest Reports” explores, all three illustrate some of the fundamental issues facing the wider sector and provide a lesson for all local authorities around: weaknesses in financial management; governance and scrutiny practices; and council culture and leadership; which, when combined, can provide fertile ground for the kind of significant issues we might see in a PIR.

The COVID-19 pandemic highlighted four essential factors we probably always knew about local government, have often said, but which are now much better evidenced:

- 1) Local government has provided fantastic support to its communities in working with the NHS and other partners to deal with the multifaceted challenges of the pandemic.
- 2) Britain’s long centralised approach to government has been exposed to some degree in terms of its agility to tailor pandemic responses to regional and local bodies. This is recognised by the current government who continue to pursue the options for devolution of powers to local bodies. Track and Trace delivered centrally has not been as successful as anticipated and, according to government figures, local interventions have had more impact.

- 3) Years of reduced funding from central government have exposed the underlying flaws in the local authority business model, with too much reliance on generating additional income.
- 4) Not all authorities exercise appropriate care with public money; not all authorities exercise appropriate governance; and not all authorities have the capability of managing risk, both short and long term. Optimism bias has been baked into too many councils’ medium-term plans.

The PIRs at Nottingham City Council (August 2020), the London Borough of Croydon (October 2020), and Northampton Borough Council (January 2021) are clear illustrations of some of the local government issues identified above. The audit reports are comprehensive and wide-ranging and a lesson for all local authorities. Local authorities have a variety of different governance models. These range from elected mayor to the cabinet and a scrutiny system approach, while others have moved back to committee systems. Arguments can be made both for and against all of these models. However, in the recent PIR cases, and for many other local authorities, it’s less about the system of governance and more about how it operates, who operates it and how willing they are to accept scrutiny and challenge.

There are a number of lessons to be learned from the recent PIR reports and these can be broken down into three key areas which are explored further in our report:

- 1) The context of local government in a COVID-19 world
- 2) Governance, scrutiny, and culture
- 3) Local authority leadership

The full report is available here:

[Lessons from recent Public Interest Reports | Grant Thornton](#)

Annual Transparency Report – Grant Thornton

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As auditors of several listed entities as well as nearly one hundred major local audits, we are required as a firm to publish an annual transparency report.

The report contains a variety of information which we believe is helpful to audit committees as well as wider stakeholders. The Financial Reporting Council (FRC) in their thematic review of transparency reporting noted that they are keen to see more Audit Committee Chairs actively engaging and challenging their auditors on audit quality based on the information produced in Transparency reports on a regular basis. We agree with the FRC and are keen to share our transparency report and discuss audit quality with you more widely.

The transparency report provides details of our:

- Leadership and governance structures
- Principle risks and Key Performance Indicators
- Quality, risk management and internal control structure
- Independence and ethics processes
- People and culture
- Compliance with the Audit Firm Governance code and EU Audit directive requirements

We have made significant developments in the year as part of our Local Audit Investment Plan to improve our audit quality. We welcome an opportunity to discuss these developments and our transparency report should you wish.



The full report is available here:

[Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

Local government finance in the pandemic – National Audit Office

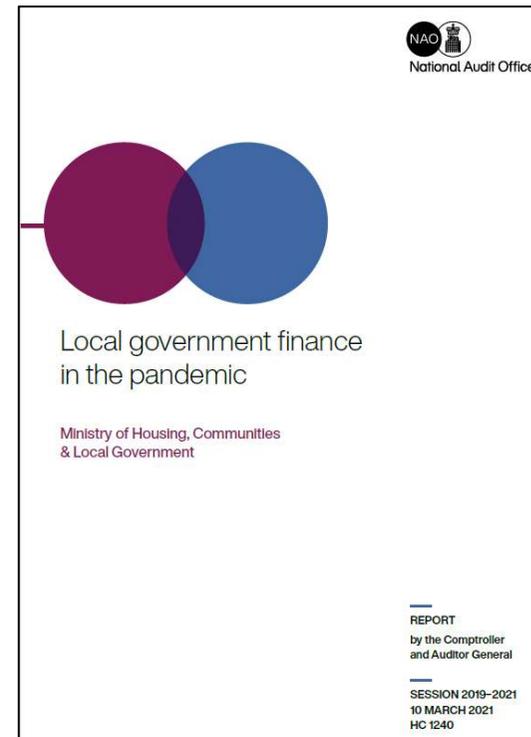
The National Audit Office (NAO) report, published in March, notes “The COVID-19 pandemic has been an unprecedented public health and economic emergency. Local authorities in England have made a major contribution to the national response to the pandemic, working to protect local communities and businesses, while continuing to deliver existing services. The pandemic has in turn placed significant pressure on local authorities’ finances, which in many cases were already under strain going into the pandemic.”

The NAO report examines if the Department’s approach to local government finance in the COVID-19 pandemic enabled it to assess and fund the costs of new services which local authorities have been asked to deliver. It also examines whether the Department fulfilled its responsibilities in securing financial sustainability across the sector.

The NAO report concludes “Steps taken by the government, led by the Department, have supported local authorities in the COVID-19 pandemic response. The Department’s successful monthly collection of data and continued intensive engagement with the sector provided a good evidence base to underpin the financial and other support provided by government. Action by the Department and wider government to support the sector has averted system-wide financial failure at a very challenging time and means that the Department has managed the most severe risks to value for money in the short term.

However, the financial position of local government remains a cause for concern. Many authorities will be relying on reserves to balance their 2020-21 year-end budgets. Despite continuing support into 2021-22 the outlook for next year is uncertain. Many authorities are setting budgets for 2021-22 in which they have limited confidence, and which are balanced through cuts to service budgets and the use of reserves.”

The NAO report found that “the combined impact on spending and non-tax income in 2020-21 is £9.7bn – equivalent to 17.6% of revenue expenditure. So far the government has announced £9.1bn of financial support, leaving a deficit of £605m.”



The full report can be obtained from the NAO website:

[Local government finance in the pandemic - National Audit Office \(NAO\) Report](#)

Local authority Covid-19 pressures – MHCLG

Outturn figures from the Ministry for Housing, Communities and Local Government (MHCLG) show that local authorities in England reported additional cost pressures of £12.8bn relating to Covid-19 in 2020-21. Overall, local authorities spent £7.2bn responding to the pandemic last year, with the largest share of additional expenditure going on adult social care services at £3.2bn.

Additional expenditure due to COVID-19 by class and service area (£ millions) (2020-21)

	Shire District	Shire County	Unitary Authority	Metropolitan District	London Borough	Total
Adult Social Care – total	0.473	1,254.880	848.656	663.404	413.842	3,181.254
Children's social care - total (excluding SEND)	0.000	94.933	131.127	89.799	62.987	378.846
Housing - total (including homelessness services) excluding HRA	63.129	5.254	74.949	42.281	112.971	298.584
Environmental and regulatory services - total	33.564	68.097	67.512	66.704	63.556	299.433
Finance & corporate services - total	48.222	53.445	83.984	76.923	78.284	340.858
All other service areas not listed in rows above	184.550	634.578	584.924	564.737	395.137	2,363.926
Total	329.937	2,111.187	1,791.153	1,503.848	1,126.777	6,862.902



The figures are available in full here:
<https://www.gov.uk/government/publications/local-authority-covid-19-financial-impact-monitoring-information>

Income losses due to COVID-19 by class and source of income (£ millions) (2020-21)

	Shire District	Shire County	Unitary Authority	Metropolitan District	London Borough	Total
Business rates	276.498	0.000	194.192	207.351	537.667	1,215.708
Council tax	399.037	0.000	217.633	191.219	232.727	1,040.616
Sales fees and charges	516.426	194.923	553.907	396.745	475.728	2,137.728
Commercial income	82.448	24.159	120.629	204.211	52.154	483.600
Other	33.494	39.947	27.163	53.664	45.166	199.435
Total	1,307.903	259.029	1,113.524	1,053.190	1,343.441	5,077.087

Government response to Redmond review – MHCLG

Government has published an update on the Ministry of Housing, Communities & Local Government response to Sir Tony Redmond’s independent review into the effectiveness of external audit and transparency of financial reporting in local authorities.

The MHCLG press release states “The Audit, Reporting and Governance Authority (ARGA) – the new regulator being established to replace the Financial Reporting Council (FRC) – will be strengthened with new powers over local government audit, protecting public funds and ensuring councils are best serving taxpayers.

22 The new regulator, which will contain a standalone local audit unit, will bring all regulatory functions into one place, to better coordinate a new, simplified local audit framework.

ARGA will continue to act as regulator and carry out audit quality reviews as the FRC does now. It will now also provide annual reports on the state of local audit and take over responsibility for the updated Code of Local Audit Practice – the guidelines councils are required to follow.

The government has confirmed that the Public Sector Audit Appointments (PSAA) will continue as the appointing body for local audit, in charge of procurement and contract management for local government auditors.

In the immediate term, MHCLG will set up and chair a Liaison Committee, which will comprise senior stakeholders across the sector that will oversee the governance of the new audit arrangements and ensure they are operating effectively.”

The press release goes on to state the “measures finalise the government’s response to Sir Tony Redmond’s independent review into local audit, carried out last year.

The government has already announced £15 million to support councils with additional costs in audit fees, and recently consulted on the distribution of this funding. Government is also consulting on improving flexibility on audit fee setting and has extended the deadline for when councils must publish their audited accounts.



The press release can be found here:

<https://www.gov.uk/government/news/government-publishes-update-to-audit-review-response>

2019/20 audited accounts – Public Sector Audit Appointments

In December 2020 Public Sector Audit Appointments (PSAA) published figures relating to the audit of 2019/20 local authority financial statements.

PSAA report “Audit arrangements in local councils, police, fire and other local government bodies are continuing to exhibit signs of stress and difficulty. In the latest audit round, focusing on 2019/20 financial statements and value for money arrangements, fewer than 50% of bodies’ audits were completed by the revised target of 30 November.

Figures compiled by PSAA, the organisation responsible for appointing auditors to 478 local bodies, reveal that 55% (265) of audit opinions were not issued by 30 November. This is a further deterioration on 2018/19 audits when 43% of opinions (210 out of 486) were delayed beyond the then target timetable of 31 July.”

By 30 November, Grant Thornton had signed 113/208 audits (a 55% completion rate), meaning that only 45% of audit opinions were not signed by 30 November, compared to the 55% all firms average.

PSAA go on to note “This year’s timetable has been deliberately eased by Ministers in recognition of the underlying pressures on the audit process and the significant added complications arising from the Covid-19 pandemic. The pandemic has posed practical challenges for bodies in producing accounts and working papers, and for auditors to carry out their testing. Both sets of staff have had to work remotely throughout the period, and the second national lockdown came at a critical point in the cycle.

Questions and concerns about the potential implications of the pandemic for some bodies have meant that both finance staff and auditors have needed to pay particular attention to the financial position of each entity. Additionally, following a series of increasingly challenging regulatory reviews, auditors have arguably been more focused than ever on their professional duty to give their opinion only when they are satisfied that they have sufficient assurance.”



The news article can be found here:

[News release: 2019/20 audited accounts – PSAA](#)

Consultation on 2023-24 audit appointments – Public Sector Audit Appointments

Public Sector Audit Appointments (PSAA) is consulting on the Draft prospectus for 2023 and beyond.

PSAA state “Our primary aim is to secure the delivery of an audit service of the required quality for every opted-in body at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local public audit services.

The objectives of the procurement are to maximise value for local public bodies by:

- securing the delivery of independent audit services of the required quality;
- awarding long term contracts to a sufficient number of firms to enable the deployment of an appropriately qualified auditing team to every participating body;
- encouraging existing suppliers to remain active participants in local audit and creating opportunities for new suppliers to enter the market;
- encouraging audit suppliers to submit prices which are realistic in the context of the current market;
- enabling auditor appointments which facilitate the efficient use of audit resources;
- supporting and contributing to the efforts of audited bodies and auditors to improve the timeliness of audit opinion delivery; and
- establishing arrangements that are able to evolve in response to changes to the local audit framework.”

The plans include proposals to adjust the procurement ratio between quality and costs from an equal 50:50 to 80:20, as well as trying to bring new suppliers in to the market.

The consultation on the PSAA’s proposals closed on 8 July.



The news article can be found here:

<https://www.psa.co.uk/about-us/appointing-person-information/appointing-period-2023-24-2027-28/prospectus-2023-and-beyond/draft-prospectus-for-2023-and-beyond/page/7/>

Councils given power to build more homes for first time buyers and for social rent – MHCLG

The Ministry of Housing, Communities & Local Government (MHCLG) has announced that councils in England will have more freedom on how they spend the money from homes sold through Right to Buy to help them build the homes needed in their communities.

The MHCLG press release states the “package will make it easier for councils to fund homes using Right to Buy receipts, including homes for social rent, and give them greater flexibility over the types of homes they provide to reflect the needs of their communities.

25 It will also give councils more time to use receipts and to develop ambitious building programmes. The government wants homes supplied using Right to Buy receipts to be the best value for money, and to add to overall housing supply, to help towards delivering 300,000 new homes a year across England by the mid-2020s.”

The press release goes on to note “New measures include:

- extending the time councils have to spend Right to Buy receipts from 3 years to 5 years
- increased cap on the percentage cost of new homes councils can fund from Right to Buy receipts raised from 30% to 40% per home, making it easier to build replacement homes
- allowing receipts to be used for shared ownership, First Homes, as well as affordable and social housing, to help councils build the homes their communities need
- introducing a cap on the use of Right to Buy receipts for acquisitions to help drive new supply.”



The press release can be found here:

<https://www.gov.uk/government/news/councils-given-power-to-build-more-homes-for-first-time-buyers-and-for-social-rent>



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Annual Insurance Report 2021

Audit & Risk Committee

Date of meeting: 24th November 2021

Lead director: Deputy Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Catherine Taylor, Financial Strategy & Insurance Manager
- Author contact details: 0116 454 4056; Catherine.taylor@leicester.gov.uk
- Report version number: 1

1. Summary

This report:

- presents an overview of the Council's internal and external insurance arrangements;
- provides information on the claims received in recent years, and the results of the claims handling process.

2. Recommended actions/decision

The Committee is recommended to note the contents of the report, and the Council's approach to ensuring it is managing the financial risk associated with claims.

3. Background

This report updates the information presented to Audit & Risk Committee on 23rd September 2020.

4. Report

4.1 Risk Financing

4.1.1 Risk Financing may be defined as the process by which the Council ensures sufficient funds are available to pay for financial losses, using the most cost effective sources of finance. For insurable risks (it should be noted that not all risks are insurable) this requires a balance between the amount of risk the Council is prepared to take, and the premium payable. The overall approach to risk financing is set out in the Risk Management Policy.

4.1.2 The most significant decision which affects this cost:risk balance is the level of "deductible" (excess) that the Council meets from its own resources. As with household policies, we can save money by taking a higher excess. High deductibles, however, also expose the Council to greater risk. The deductible is generally on a "per claim" basis, although the risk can be reduced further by including an aggregate limit which caps the total annual amount of the Council's exposure. The Council accepts very high deductibles, bearing the full cost of most claims itself, through the insurance fund (see below). This is because the Council is big enough to accept a

lot more risk than individual householders, and sees its external insurance primarily as cover for catastrophes.

4.1.3 Robust risk management across the organisation will reduce both the amounts payable in self-insured amounts and the external premium charged. However, it is neither possible nor desirable to eliminate all risks from service delivery. An effective strategy for financing these residual risks is therefore required.

4.2 Insurance Fund

4.2.1 Since 2020/21, the annual costs of insurance are held as a corporate revenue budget, outside departmental budgets. This funds the costs of external premiums, deductible payments on claims, and claims handling costs. Schools also pay for relevant insurances from their delegated budgets. In 2020, the annual budget reduced by £0.5m from its previous like-for-like level as a result of reduced claim costs and external premiums after a tender exercise in 2018. As with all corporate budgets, this will be reviewed as part of the annual budget setting process to ensure the amount remains appropriate for 2022/23.

4.2.2 The Council also holds a corporate insurance fund to smooth out the impact of actual costs on the annual corporate revenue budget from year to year, and to ensure that funds are available to meet claims when they occur.

4.2.3 The Council's policy is to maintain sufficient funding to meet all claims on a "claims occurring" basis. This includes legal and other costs associated with defending the claim, as well as any compensation due to the claimant. As a minimum, therefore, the fund will hold:

- Amounts required for claims received but not yet settled;
- Amounts required for claims relating to events that have occurred, but no claim has yet been notified to the Council (e.g. a person who is injured has 3 years to bring a claim against the Council in most cases).

4.2.4 The amount required in the fund at any time cannot be accurately calculated, and depends on a number of assumptions about liability and settlement amounts. The balance on the fund is reviewed at least annually, informed by officers' assessments of specific large claims and historical data. Further assurance is provided by an external actuary's report, normally every 2 years, although the review due for 2021 has been delayed due to the pandemic.

4.2.5 The actuary's report commissioned in 2019 confirmed that there was a surplus on the fund, compared to the estimated amount required to meet claims. As a result, £5m was transferred out of the fund during 2019/20 to support the Council's capital programme.

4.2.6 As at 31st March 2021, the balance on the insurance fund was £13.9m. For accounting purposes, this is split between a provision (for "known" claims) and an

earmarked reserve for other costs, but in practice it is managed as a single fund. Evidence from the 2019 actuarial review and subsequent claims received indicates that this amount will be sufficient to meet claims to date, and may allow for a surplus. If future reviews confirm a further surplus is available, this can be made available for other purposes.

4.3 External insurance

4.3.1 In financial terms, the most significant classes of insurance are Property, Motor and Combined Liability (Employers' and Public Liability).

4.3.2 The insurance market remains difficult, with cost pressures arising across the market. In the 2021 renewal process, we have accepted an increased deductible on liability claims. This reduces the expected overall cost of the insurance programme, as the saving on premiums outweighs the likely additional cost (there are only a small number of claims over the deductible), although it does increase the risk if a number of large claims come in.

4.3.3 A summary of the current package of insurance is attached at Appendix One.

4.3.4 As with all services, the COVID-19 pandemic has had significant impacts on the insurance market and on the Council's arrangements.

- The Council has not, to date, received any claims referring directly to COVID-19. However, the potential for these claims remains and is of concern to insurers nationally (e.g. claims alleging that an employee or member of the public contracted COVID-19 on Council premises);
- Some types of claim may have *reduced* during lockdown restrictions – e.g. fewer vehicles on the roads leads to fewer motor incidents and reduced claims for pothole-type damage to vehicles;
- There is an ongoing risk that disruption to normal working practice and service levels will leave the Council open to claims that are not directly COVID-related. For example, if maintenance could not be carried out to its normal standard, the Council could be liable for damage or injury. As with all claims, robust procedures to identify and mitigate these risks will reduce the Council's liability.

4.3.5 In the longer term, insurance rates will also be affected by developments in the wider market. Some of the current issues include:

- Ongoing reforms to the statutory framework around personal injury cases, with a particular focus on reducing "whiplash" claims from motor accidents. If successful, these should reduce the cost to the insurance fund in the longer term; although some changes have now been delayed due to the pandemic.
- Liability claims relating to social care (both Children's and Adults), which have increased nationally in recent years. Case law in this area is still evolving, and many claims received date back several years and could not have been known about at the time – it is difficult to estimate the scale of the overall cost to local authorities and their insurers.

- Property insurance rates nationally have been under pressure following the Grenfell tower fire, and increasing concerns about major flooding incidents across the country.
- One of our insurance providers (covering buildings insurance for leasehold flats) has taken the decision to exit the UK market, citing Brexit and the cost of meeting solvency requirements. If this continues it will reduce competition in the insurance market and further drive up premiums.

4.4. Claims information

4.4.1 The greatest numbers of claims arise from activities connected to Highways Maintenance; motor claims; and Housing services. This is because of the nature of these service areas, and should not necessarily be taken to suggest poor performance.

4.4.2 The following tables provide a summary of the claims received in significant categories, and the results of the claims investigations, from the past 3 years.

4.4.3 For Highways-related claims, repudiation rates (i.e. the proportion of claims where liability is successfully denied) are generally over 80%. While reliable comparator data are not currently available, informal discussions with other authorities suggest that this is a significantly better result than the East Midlands average. Successful repudiation of Highways claims requires evidence of a robust inspection and repairs process, which provides a legal defence to these claims.

Public Liability – Highways – Personal Injury

Financial Year	LCC at fault	No fault
2018-19	14 (20%)	57 (80%)
2019-20	10 (13%)	66 (87%)
2020-21	8 (20%)	32 (80%)

Public Liability – Highways – Property Damage

Financial Year	LCC at fault	No fault
2018-19	13 (22%)	46 (78%)
2019-20	8 (16%)	42 (84%)
2020-21	17 (31%)	38 (69%)

Motor Policy claims

Financial Year	LCC at fault	Third Party at fault	50/50 fault	Theft / vandalism against LCC vehicles
2018-19	102 (59%)	59 (34%)	4 (2%)	8 (5%)
2019-20	118 (66%)	48 (27%)	4 (2%)	8 (4%)
2020-21	84 (66%)	37 (29%)	2 (2%)	5 (4%)

Public Liability – Council Housing

Financial Year	LCC at fault	No fault	Contractor at fault
2018-19	11 (9%)	112 (90%)	2 (2%)
2019-20	18 (14%)	109 (85%)	1 (1%)
2020-21	10 (24%)	30 (73%)	1 (1%)

The number of housing claims has reduced significantly in the most recent year. In part, this may be due to delays in claims being presented to the Council, and further claims may yet be received.

4.4.4 Complex claims will often not be finalised until some years after the incident. As a result, the cost of claims arising in 2020 will not be finally known for some years. The amount actually *paid* from the insurance fund in each year (regardless of when the claim originated) on each of the major types of claim is shown below. (This does not include amounts met by insurers on large claims):

Policy Type	2018-19 £000's	2019-20 £000's	2020-21 £000's	3-year total £000's
General Property	118.5	66.9	42.7	228.1
Commercial Property	23.2	0.3	0.2	23.7
Employer's Liability	298.9	508.5	406.1	1,213.5
Public Liability	1,102.4	518.4	496.5	2,117.3
Officials / Professional Indemnity	36.7	7.7	0.0	44.4
Motor	601.9	353.2	178.2	1,133.3
Total	2,181.6	1,455.0	1,123.7	4,760.3

4.4.5 Amounts paid in an individual year are variable (for example, a number of larger public liability claims were settled in 2018/19, having been outstanding for some time). However, the greatest costs to the Council are from employer's liability, public liability and motor claims. [Within this, employer's liability claims tend to be higher value per claim, but are fewer in number]. Other classes of insurance claim have a relatively small financial impact in most years.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

The report is concerned throughout with financial implications.

5.2 Legal implications

There are no legal implications arising from this report. (Emma Jackman, Head of Law, tel: 454 1426)

5.3 Equalities implications

No Equality Impact Assessment has been carried out as this is a briefing report and no policy changes are proposed.

5.4 Other implications

No other implications are noted as this is a briefing report and no policy changes are proposed.

6. Summary of appendices:

Appendix One – Summary of External Insurance Cover

7. Is this a private report?

No

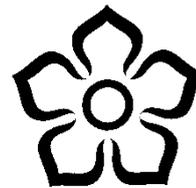
8. Is this a “key decision”?

No

Summary of External Insurance Cover – from January 2019

	Main features of cover	Insurer	Deductible (per claim)
General Property	Buildings & contents insurance (including schools); including works in progress, and increased cost of working following a claim	AIG	£100,000 (general) £1m for social housing stock
Industrial & Commercial Property	Buildings cover for properties owned by the Council and rented out to third parties (e.g. shops, industrial units).	AIG	£250
Casualty (Combined Liability)	a) Employer's Liability – legal liability for injury / illness to employees (plus others carrying out Council business, e.g. elected Members and school governors). Employer's Liability insurance is a legal requirement. b) Public Liability – claims for personal injury or property damage by external third parties c) Professional Indemnity – claims alleging that professional services or advice have not been carried out correctly.	QBE	£375,000 £375,000 £375,000
General Motor Fleet	Comprehensive motor policy for Council vehicles. Motor insurance is a legal requirement.	QBE	£200,000
Personal Accident / Travel and School Activities	Personal accident cover for employees on Council business; travel insurance for employees on Council business and for school trips	Chubb	N/A
Engineering & Inspection	Inspection contract to meet statutory requirements on equipment; and associated insurance cover	Aviva	N/A
Fine Arts	Specialist cover for museum & art gallery collections	Axa Art	Nil

Please note that the table above presents only a broad summary of the insurance arrangements, and not the full detail of cover or exclusions.



Annual Report on the National Fraud Initiative (NFI)

Audit & Risk Committee

Date of committee meeting: 24 November 2021

Lead director: Colin Sharpe

Useful information

- Report author: Stuart Limb (Corporate Investigations Manager)
- Author contact details: 0116 454 2615 / 37 2615 stuart.limb@leicester.gov.uk
- Report version 1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide information to the Audit and Risk Committee on the National Fraud Initiative (NFI) exercises currently underway.

2. RECOMMENDATIONS

- 2.1 This report is for information only.

3. SUMMARY

- 3.1 There are two separate NFI exercises that the Authority participates in. One involves data matching with external organisations, including other councils and the second involves matching data held within the Council.
- 3.2 Data for the 2020/21 external NFI exercise was submitted to the Cabinet Office in October 2020 and data was available for checking from 24th January 2021.

4. REPORT

- 4.1 The Council has participated in the National Fraud Initiative since it was introduced in 1996. The exercise has evolved over the years and is now web based and managed by the Cabinet Office. The project involves electronically matching data from several sources to identify possible fraud or irregularity.

The Cabinet Office identifies matches and allocates a risk score from 100% on a decreasing order. Officers are expected to examine the high risk first on a descending basis. There is no requirement to examine all the remaining matches and officers are encouraged to select a sample where there are large volumes of data for checking.

- 4.2 Examples of the different matches include:

- Housing Benefit Claimants who are not entitled to claim because they
- are in receipt of Student Loans.
- Housing Benefit Claimants who are tenants at a different address.

- Blue Badge Parking Permits, Concessionary Travel passes and Private Residential Care Home residents where the individual is recorded as deceased on the Disclosure of Death Registration Information (DDR1) or Department for Work and Pensions list of deceased persons
- Duplicate Creditors or duplicate payments to creditors
- Housing Benefit Claimants who also appear on a local authority payroll
- Council Tax Reduction Scheme to Payroll

4.3 All benefit fraud is investigated by the Department for Work and Pensions (DWP) however the Cabinet Office still require the authority to undertake an initial check of the Housing Benefit claims before passing the matches to the DWP to investigate.

4.4 Work on the 2020/21 matches has continued. Nearly 6,000 matches have been checked to date, with no issues identified following investigation, as summarised in the table:

Matches undertaken by 13th October 2021

Total Matches	Matches checked	Errors identified	Frauds Identified	Overpayments Identified
26,769	5,926	1	Nil	£1,076

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

There are no direct financial implications arising from this report. However, the initiatives described in this report are intended to detect fraud (which is an offence of a financial nature) and error, which can cause significant financial loss to the Council.

Colin Sharpe – Head of Finance

5.2 Legal Implications

The NFI exercises use the powers given to the Minister for the Cabinet Office by Part 6 of the Local Audit and Accountability Act 2014. The existing code of data matching practice will continue in effect until the Minister for the Cabinet Office issues a new code.

The code is subject to review following completion of each NFI exercise. Any changes proposed to the code will be consulted upon before a new code is finalised and laid before Parliament.

Kamal Adatia, City Barrister & Head of Standards

5.3 Climate Change Implications

This report does not contain any significant climate change implications.

Duncan Bell, Senior Environmental Consultant

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	N	
Policy	N	
Sustainable and Environmental	N	
Crime and Disorder	Y	Whole report
Human Rights Act	N	
Elderly/People on Low Income	N	
Corporate Parenting	N	
Health Inequalities Impact	N	
Risk Management	Y	This report is concerned with the prevention, detection, and sanctioning of fraud. Fraud is one of the risks faced by the Council

7 BACKGROUND PAPERS

None – Information on the National Fraud Initiative is available at <https://www.gov.uk/government/collections/national-fraud-initiative>

8 CONSULTATIONS

None

Counter Fraud Mid-Year Update Report 2021

Audit and Risk Committee

Date of meeting: 24th November 2021

Lead director: Colin Sharpe

Useful information

- Ward(s) affected: All Wards
- Report author: Stuart Limb (Corporate Investigation Manager)
- Author contact details: (0116) 454 2615 / 37 2615 stuart.limb@leicester.gov.uk
- Report version number: Version 2

1. Summary

- 1.1 The purpose of this report is to provide a mid-year update to the Audit and Risk Committee on the work carried out by the Corporate Investigations Team for the period 1 April 2021 to 30 September 2021.

2. Recommended actions/decision

The Audit and Risk Committee is recommended to:

- a) Receive and comment on the report
- b) Make any recommendations it sees fit to the Executive and/or the Chief Operating Officer/s151 officer or Deputy Director of Finance.

3. Background

- 1.1 This report includes statistical information on fraud cases identified, referred and, where appropriate, investigated by the Corporate Investigations Team. A report on the Council's counter fraud activity was presented to the Audit and Risk Committee on 21 July 2021 and therefore this report seeks only to update Members on statistical information where it is available.
- 1.2 As part of its work, the Corporate Investigations Team investigates suspected financial irregularities and makes recommendations to reduce the risk of further losses and improve performance, efficiency, effectiveness and economy in the use of resources by the Council.
- 1.3 The work focus during the first half of the financial year has returned more to business as usual, as the counter fraud measures associated with the delivery of the Government's business support schemes due to the coronavirus pandemic start to wind down.

4. Detailed report

- 4.1 During the period covered by this report the Corporate Investigations Team (CIT) have been dealing with Right to Buy (RTB) applications, School Admission applications and tenancy related fraud. Reactive work because of the Coronavirus and associated support schemes has reduced significantly.

- 4.2 The National Fraud Initiative (NFI) matches have been received and departments are working through the matches to identify any potential irregularities. This work is ongoing and is reported in detail in the Annual NFI Report elsewhere on the Committee's agenda.
- 4.3 The authority also continues to benefit from membership of the National Anti-Fraud Network (NAFN), which alerts members to phishing emails. These alerts are shared with relevant departments which helps keep the risk of fraud visible to staff members.
- 4.4 The team supported the latter administrative stages of the business grant account fund reconciliations and lead the on-going post payment assurance process required by the Government.
- 4.5 The team continues to work across the authority to reduce the risk of loss and fraud; this is a collaborative approach for example verifying RTB applications for council homes. All RTBs are subject to background checks and where irregularities or concerns are raised the issues are addressed by Legal Services, the RTB team and corporate investigations. This not only identifies irregularities but provides a higher level of assurance for sales to tenants.
- 4.6 For the period covered by this report the combined loss avoidance and income generated savings is £619,000.

5. Review of Performance

- 5.1 Statistical information on service demand and associated activity for April to September 21 is detailed in the table below.

Registered	131
Screened out	69
Investigations In Progress	93
Cautions Accepted	0
Administrative Penalties Accepted	0
Prosecutions - Successful (Guilty)	0
Total files with Solicitors	2

6 The Year Ahead

- 6.1 The report presented to the Committee on 21 July 2021 outlined the major objectives for the Corporate Investigations Team over coming months. The team will continue to undertake reactive and proactive investigations including data matching exercises to identify and reduce the risk of fraud.

6.2 The authority uploaded the data to the National Fraud Initiative (NFI) portal at the end of October 2020 for matching with other authorities. Matches were released for checking at the end of January 2021, which requires the work to be carried out by the relevant service areas to check the matches. Where fraud is suspected referrals will be made to the Corporate Investigations Team.

7. Financial, legal, equalities, climate emergency and other implications

7.1 Financial implications

Fraud can cause the Council significant loss; hence activity to prevent and detect fraud is a clear financial investment and a key component of good financial control and governance.

Colin Sharpe
Deputy Director of Finance

7.2 Legal implications

Fraud is a criminal offence and therefore represents breach of the law. Other forms of financial irregularity, though not criminal, may be in breach of regulation. The conduct of counter-fraud work of all kinds is bound by law and regulation and the Council is careful to ensure that its activities in this area are properly discharged.

Kamal Adatia
City Barrister & Head of Standards

7.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report provides a mid-year update to the Audit and Risk committee on the work carried out by the Corporate Investigations Team.

There are no significant equality and diversity implications arising from the report.

Surinder Singh, Equalities Officer

7.4 Climate Emergency implications

This report does not contain any significant climate emergency implications.

7.5 Other implications

8. Background information and other papers:

- LOCAL GOVERNMENT ACT 1972
- Leicester City Council's Anti-Fraud, Bribery and Corruption Policy
- Leicester City Council's Finance Procedure Rules
- Leicester City Council's Constitution
- Leicester City Council's Code of Conduct for Behaviour at Work
- Leicester City Council's Information Security Policy Statement
- Leicester City Council's Prosecutions Policy
- Leicester City Council's Investigators Code of Conduct

- Public Bodies Corrupt Practices Act 1889

- Chartered Institute of Public Finance & Accountancy (CIPFA) publication
- *Managing The Risk of Fraud*
- The Prevention of Social Housing Fraud Act 2013

9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

10. Is this a "key decision"?

No

Strategic and Operational Risk Registers / Health & Safety Data

Audit and Risk Committee

Date of meeting: 24th November 2021

Lead director: Miranda Cannon

Useful information

- Ward(s) affected: All Wards
- Report author: Sonal Devani
- Author contact details: (0116) 454 1635 / 37 1635; sonal.devani@leicester.gov.uk
- Report version number: Version 1

1. Summary

The purpose of this report is to provide to the Audit and Risk Committee (A&RC) an update on the Strategic and Operational Risk Registers and Health & Safety data:

- **Appendix 1, the Strategic Risk Register (SRR)** provides a summary of the strategic risks facing the council affecting the achievement of the strategic objectives of the council;
- **Appendix 2**, supports appendix 1, which provides the detail in relation to the **council's strategic risks**;
- **Appendix 3, the Operational Risk Register (ORR)** exposure summary, provides a high-level summary of the operational risks, which affect the day to day operations of divisions. Such risks are assessed by Divisional Directors with a risk score of 15 or above for consideration;
- **Appendix 4, the ORR**, supports Appendix 3 (the summary of the ORR) which provides the detail in relation to the council's operational risks;
- **Appendix 5, Health and Safety Data** - Number of incidents by incident type.

2. Recommended actions/decision

A&RC is asked to:

- Note the Strategic Risk Register and Operational Risk Register (as at 30th September 2021)
- Note the Health and Safety Data;

Make any comments to the Director of Delivery, Communications and Political Governance

3. Background

- 3.1 The council's 2021 Risk Management Strategy requires the development, maintenance and monitoring of both the SRR and ORR.
- 3.2 Both the SRR and ORR process is owned and led by the Head of Paid Service. The Corporate Management Team collectively support the strategic risk register

process documenting the key strategic risks facing the council and help to ensure these are managed and the SRR is then submitted to the Executive for their consideration. It complements the operational risk register process which is supported and managed by the Divisional Directors in conjunction with their divisional management teams. Both registers are populated and maintained by the Manager, Risk Management for this group.

4. Detailed report

4.1 The SRR has been compiled following a review by all Strategic Directors and has been updated. The summary of the strategic risks is attached as **Appendix 1** and **Appendix 2** provides comprehensive detail of the risks.

2 new risks added which are:

- **Safeguarding - Skills Shortage (risk no 8 – high risk at 20)**
- **Asylum / Refugees (risk no 21 – medium risk at 9)**

17 risks were updated in relation to target dates, but **risk controls** were also amended to **all risks except for risks 5, 9, 13 and 14**. The risk scores for **risk 9 and 16** (School Improvement and Provision of Secondary School Places) have reduced to **9 from 12**. The score on **risk 12** Resource: Capacity, Capability, Retention & Development was increased **from 9 to 12** to reflect current challenges around recruitment and retention in a buoyant recruitment market particularly for key skills and expertise in technical areas.

Almost Certain	5				3	
Probable / Likely	4			5,12,13,	18,19	1,8
Possible	3		2	9, 15,16, 17,21	6,10,11,14,20	7
Unlikely	2				4	
Very unlikely Rare	1					
		1	2	3	4	5
		Insignificant/ Negligible	Minor	Moderate	Major	Critical / Catastrophic

The above matrix provides an indicator of the status of the council's strategic risks in terms of likelihood and impact using the risk scoring from the SRR Register. Those risks in the **red quadrant require robust challenge, regular review and monitoring** and consideration for further controls where appropriate. Those in **yellow also require regular review and monitoring** to ensure they do not escalate to a red risk, and there are a number of these with a major impact.

4.2 The risks in the ORR (**Appendix 4**) are presented by:

- Strategic Area (in alphabetical order);
- Then by Divisional Area (again within alphabetical order);
- Then by 'risk score' with the highest first.

4.3 The summary of operational risks attached at **Appendix 3** indicates the number of high risks for each department/strategic area. **Appendix 4** provides comprehensive detail of the risks in **Appendix 3**. Both appendices have been compiled using divisional risk registers submitted by each Divisional Director. The significant risks (scoring 15 and above) identified within these individual registers have been transferred to the council's ORR.

4.4 With regards to the ORR, **20** existing risks have been amended, **2** deleted and **3** new risks were added to the ORR this reporting period (previous reporting period was 31st May 2021).

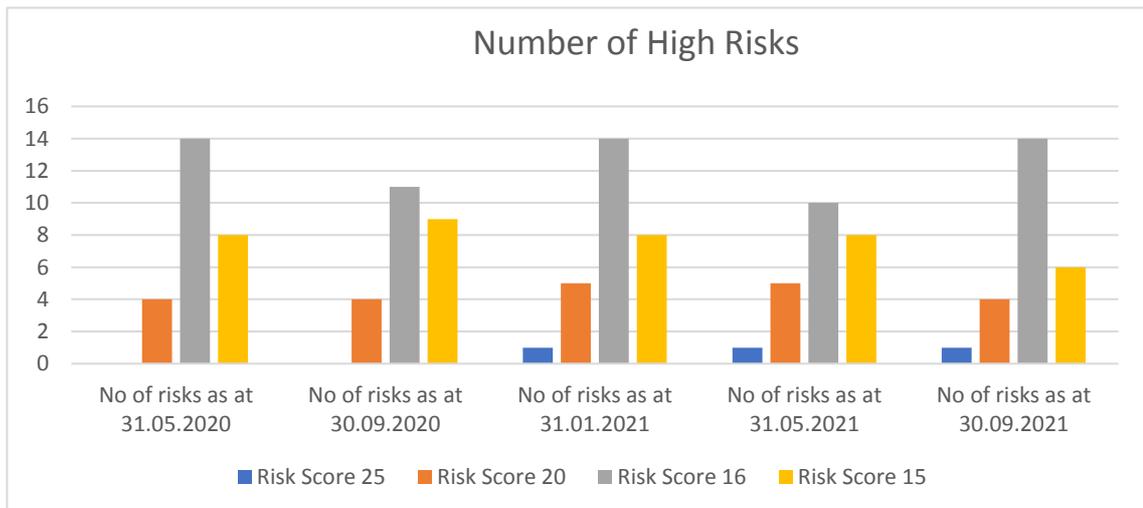
Many amendments relate to target dates reflecting the next quarter review deadline date of 31st January 2022. However, **risks 2, 6, 7, 8, 12, 14, 19, 20 and 21** have further amendments other than target dates. **2** risks were deleted and **3** new risks were added (**Risk No: 1, 22 and 23**)

As a reminder, where a risk is '**deleted**' it does not always elude to the risk being eliminated. It refers to the risk score no longer being 'high' and it may well remain within the individual divisional register with a score below 15.

The reduction on the number of risks from the previous reporting periods allows time and effort to be focussed on the risks which require the management of the Divisional Management Team. This can only be successful if the management of the Head of Service Risk Registers remains in place and is regularly reviewed by them in line with reporting structures, (as stated in the Risk Management Policy and Strategy and see below diagram), and some operational risks may require escalating in the future. Risk management in this way is regarded as best practice.



The graph below provides an overview of the number of high risks ranging from risk rating of **15 to 25** detailed in the **ORR** over the last 5 reporting periods.



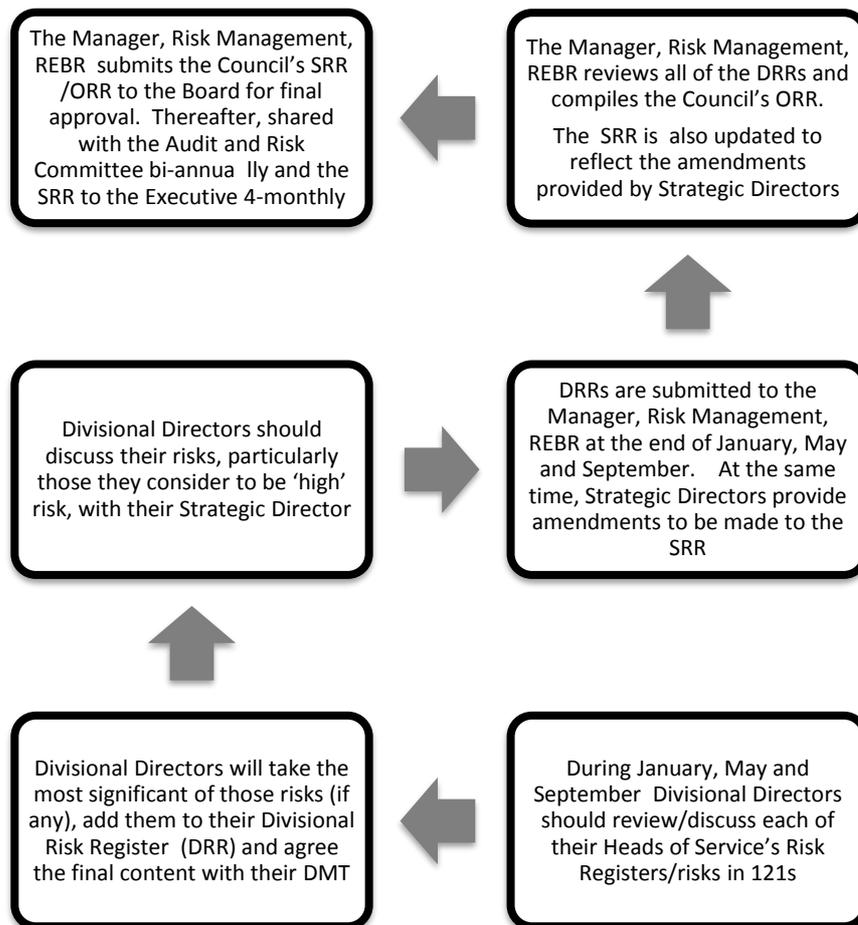
4.5 Both risk registers present the most significant managed/mitigated risks. Whilst there are other key risks, it is the view of Directors that these are sufficiently managed/mitigated for them not to appear in these registers. More detailed registers of operational risks are owned and maintained by individual Divisional Directors and their Heads of Service (and where appropriate their managerial and supervisory staff) as detailed in the Risk Management Strategy and Policy.

4.6 Audit and Risk Committee are reminded that the council's Risk Management Strategy refers to the process of embedding risk management within business areas. The risk registers allow this to be evidenced, but if this process is to be demonstrated as a method by which the council manages its risk profile, it has to be more than the regular submission of a register to REBR. The number of updates/changes to the risk registers is a positive indication of this, but the process

of risk management must become a daily activity throughout the authority to be truly embedded indicating the council is managing its risk exposure.

4.7 Risk registers need to be working documents that can be sent to REBR for advice or discussed with line management and/or members at any time.

4.8 For clarity, the process for reviewing and reporting operational risks, in line with the council's Strategy, is as per the following flowchart:



4.9 Health and Safety Data

A total of 386 incidents were reported in the last quarter. Of these 205 were reported as near misses. The inclusion of the new reporting categories: **Observed Hazard** and **Non-Work Related** are partially reflected in this report as they were introduced mid-way through the reporting cycle. The 10 non work-related incidents and the 3 observed hazards would previously have been reported as near misses. 150 injuries were reported in the last quarter, an increase of 14% from Q1.

The proportion of reported near misses to actual loss events still being in favour of near misses is somewhat reassuring at 205 near misses to 150 injuries. Studies estimate for every injury there is on average 50 near misses.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

There are no direct financial implications arising from this report
Colin Sharpe, Deputy Director of Finance, Ext. 37 4081

5.2 Legal implications

There are no direct legal implications arising from this report
Kamal Adatia, City Barrister – 37 1401

5.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The council also has an obligation to treat people in accordance with their Convention rights under The Human Rights Act, 1998.

The ability of the council to meet its duties under the Equality Act 2010 is specifically accounted for in the strategic risk register. However, equalities and human rights considerations cut across all elements of risk management, including strategic and operational risk management.

Some of the risks identified in the Strategic Risk Register (Appendix 1) would have a disproportionate impact on protected groups should the council no longer be able to effectively manage them and, therefore, the mitigating actions identified in the strategic risk register support equalities outcomes. For example, should the council fail to safeguard effectively, this would have a disproportionate impact on the human right (prohibition of torture, inhuman or degrading treatment) of those from protected groups, such as age and disability. Likewise, a failure to engage stakeholders could lead to a failure to identify tensions arising in the city (particularly as the financial challenges impact on communities) leading to unrest in specific communities/areas of the city. This, in turn, would have an impact on the council's ability to meet the general aim of the PSED to foster good relations between people who share a protected characteristic and those who don't.

Effective risk management plays a vital role in ensuring that the council can continue to meet the needs of people from across all protected characteristics and, in some circumstances, will be particularly relevant to those with a particular protected characteristic. For example,

some risks included in the operational risk register (relate to people with specific protected characteristics such as disability (children with special educational needs, people with mental ill health).

Therefore, the on-going work to update and consider risk management implications in making decisions and assess of the effectiveness of the controls/ mitigation actions for the risks identified in the report and appendices, will support a robust approach to reducing the likelihood of disproportionate equality and human rights related risks, provided the mitigations/ controls themselves are compliant with the relevant legislation.

Surinder Singh, Equalities Officer - 37 4148

5.4 Climate Emergency implications

The risks associated with climate change such as increased flooding, heatwaves and droughts, their consequences and the council's management of these risks are the subject of risk 10, Climate Change, within the SRR. This allows for monitoring of the risks and consequences and the actions that are in place to control them, as well as further actions required. Following Leicester City Council's declaration of a Climate Emergency in 2019, climate change has been identified as one of the council's top three priorities to tackle. Further detail on the risks and impacts of climate change for the UK can be found in the official Met Office UK Climate Projections (UKCP).

Aidan Davis, Sustainability Officer – 37 2284

6. Summary of appendices:

Appendix 1 – Summary of Strategic Risk Register as at 30th September 2021

Appendix 2 – Strategic Risks in detail as a 30th September 2021

Appendix 3 – Summary of Operational Risk Register as at 30th September 2021

Appendix 4 – Operational Risks in details as at 30th September 2021

Appendix 5 – Health and Safety Data

7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

8. Is this a “key decision”? If so, why?

No

Appendix 1

LCC Strategic Risk Exposure Summary as at 30th September 2021

Risk Index	Risk	I	L	Risk Score 30 Sep 2021	Risk Score 26 July 2021	Risk Score 31 May 2021	Risk Score 31 Jan 2021	Variance	Risk Owner
1.	Financial challenges	5	4	20	20	20	20	↔	AG / CS
3.	Cyber Risk	4	5	20	20	20	20	↔	MC / CSk
8.	Safeguarding – Skill Shortage	5	4	20				New risk	IB
18.	Coronavirus (Sars Coronavirus-2 (SARS-CoV-2))	4	4	16	16	16	20	↔	MC / IB
19.	Coronavirus Economic Impact	4	4	16	16	16	16	↔	RS / MD
7.	Safeguarding - Processes	5	3	15	15	15	15	↔	MS
5.	Information Governance	3	4	12	12	12	12	↔	AG
6.	Compliance with Regulation, Policies, Procedures, Health & Safety etc.	4	3	12	12	16	16	↔	KA / MC
10.	Civil Contingency Response / Incident Response	4	3	12	12	12	12	↔	MC / IB
11.	Climate Change	4	3	12	12	12	12	↔	MW
12.	Resource: Capacity, Capability, Retention & Development	3	4	12	9	9	9	↑	MC / CP / Strategic Directors
13.	Commissioning, Contract Monitoring, Management & Procurement	3	4	12	12	12	12	↔	KA
14.	Asset Management	4	3	12	12	12	12	↔	MW
20.	New Ways of Working Programme	4	3	12	12			↔	MC / CP / CSk / MW
9.	School Improvement	3	3	9	12	12	12	↓	SW
15.	Digital Transformation	3	3	9	9	9	9	↔	MC / CSk
16.	Ensuring Statutory Responsibility for Provision of Secondary School Places	3	3	9	12	12	12	↓	SW
17.	Support for Pupils with SEND	3	3	9	9	12	12	↔	TR
21.	Asylum & Refugees	3	3	9				New risk	CB / JL
4.	Business / Service Continuity Management	4	2	8	8	8	8	↔	MC
2.	Stakeholder Engagement	2	3	6	6	9	9	↔	MC / All Strategic Directors

Key:

IMPACT (I)	SCORE
CRITICAL/ CATASTROPHIC	5
MAJOR	4
MODERATE	3
MINOR	2
INSIGNIFICANT/ NEGLIGIBLE	1

LIKELIHOOD (L)	SCORE
ALMOST CERTAIN	5
PROBABLE / LIKELY	4
POSSIBLE	3
UNLIKELY	2
VERY UNLIKELY / RARE	1

Risk scores:

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

Risk Owners:

AG	Alison Greenhill	MC	Miranda Cannon
CB	Chris Burgin	MD	Mike Dalzell
CP	Craig Picknell	MS	Martin Samuels
CS	Colin Sharpe	MW	Matt Wallace
CSk	Carl Skidmore	RS	Richard Sword
IB	Ivan Browne	SW	Sue Welford
JL	John Leach	TR	Tracie Rees
KA	Kamal Adatia		

Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Alison Greenhill, COO

Date completed: 30/09/21

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE			RESPONSE STRATEGY / ACTION <i>Select from the 4T's (see Process worksheet for definitions and further guidance):</i>	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk			Impact	Probability	Risk			
<p>1. FINANCIAL CHALLENGES The Council fails to respond adequately to the future funding outlook or additional cost pressures arising from the COVID pandemic. Cuts in public sector funding over the coming year or years.</p>	<ul style="list-style-type: none"> - Council is placed in severe financial crisis. - Reputational damage to the Council and substantial crisis job losses. If the process is not properly managed, the Council will have little money for anything but statutory, demand led services - Budget balanced in 20/21 and 2021/22 - Further work required to balance the medium term - Additional risk due to pandemic, and uncertainty over Government funding, reduced income either in respect of the pandemic or beyond 21/22 - Crisis cuts, made in a hurry. Lasting impact on services 	<ul style="list-style-type: none"> - Close management of additional COVID spend - Service transformation fund - Managed reserve balance available to smooth 21/22 - Budget setting for 21/22 has taken into account actions required going forward in light of best available information and assumptions Budget approved for 2021/22 and utilises reserves to smooth the financial year. Detailed longer-term financial planning commenced for 2022/23 and beyond to identify potential savings options based on best available information and assumptions in the absence of details of future Local Government funding 	5	4	20	Treat	<ul style="list-style-type: none"> - Continue longer-term financial planning for 2022/23. Ongoing robust budget monitoring and appropriate spend controls including work which is underway to review and challenge overtime spend, senior management reviews of A2Rs requests and design of a new procurement gateway process to review and challenge procurement requests. 	5	3	15		Alison Greenhill / Colin Sharpe	31/01/22 and On-going
<p>2. STAKEHOLDER ENGAGEMENT The Council fails to maintain effective relationships with stakeholders (partners, neighbouring Councils, NHS etc.). Key partners and stakeholders fail to support the council in delivery of its strategy as a result of tensions and strained relationships due to financial and other pressures. COVID-19 ongoing response and recovery implications stretch resources and impact on existing partnership working Council fails to identify tensions arising in the city (particularly as the financial challenges impact on communities) leading to unrest in specific communities/areas of the city.</p>	<ul style="list-style-type: none"> - Failure of local agreements and stakeholder arrangements to deliver agreed levels of performance, the impacts of which may reflect negatively on the Council adversely affecting its reputation. - Potential litigation where it impacts on formal contractual relationships. - Financial risk if funding arrangements involving partners are inadequate or not agreed. - Partnership working will be an expensive bureaucracy and fail to add value to improving outcomes for the citizens of Leicester. - Reputational damage to the Council/City from the perspective of stakeholders. - Partnership working fails to take into account the needs of all communities. 	<ul style="list-style-type: none"> - Mechanisms in place for regular dialogue including formal partnerships e.g. Health and Wellbeing Board. - City Mayor Faith and Community Forum in place to engage specifically with faith and non-faith communities - During the pandemic this has been on hold but there has been a very regular dialogue and engagement with faith and community organisations and representatives which has helped to further develop networks and have been important in responding to the pandemic. The CM Faith and Community Forum approach will be reviewed in the light of this. - Arrangements for engagement of, and support to, the Voluntary Community Sector (VCS) have been commissioned and contracts are in place. Contract with VAL has been extended to continue to support the Covid response and recovery in the short-term until end Sept 2021. Work is nearing completion on the VCS strategy which takes account of Covid learning and will inform longer-term support and engagement with the VCS. The strategy has been informed by significant stakeholder engagement. - Specific Executive Members have clear objectives around partnership working in their portfolios, for example working with the voluntary and community sector is reflected in the portfolios for the Assistant City Mayors. Close involvement of City Mayor and Members in key partnerships. - Close partnership working has been a feature of the Covid-19 response across LLR and there has been good local engagement co-ordinated via the LRF. Regular and ongoing engagement with the VCS and faith organisations as part of the response as well as close working with organisations such as VAL to support the volunteering response. Overall partnerships have been strengthened due to the close working throughout the pandemic. The LRF is currently finalising the debrief for the strategic and tactical co-ordinating groups who were key in the Covid-19 response across LLR and the strength of local partnership working throughout is recognised in that. 	2	3	6	Treat	<ul style="list-style-type: none"> - Regular review and evaluation of the current position by Corporate Management Team. - Finalise the development of VCS strategy to inform future relationship and working with the VCS and take to Executive and Scrutiny for discussion - Key aspects of partnership working being reviewed and updated in the light of Ofsted findings e.g. LSCB -Ties across the healthcare system are being further strengthened with a specific Partnerships team recruited to PH to improve partnership working and information sharing. Regular development meetings are planned in between Health & Wellbeing board dates and HWB ToR and strategy papers are being reviewed and agreed across members. 	2	2	4		Miranda Cannon / All Strategic Directors	31/01/22 and On-going

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Appendix 2 - LCC Strategic Risk Register

Risk Register Owner: Alison Greenhill, COO

Date completed: 30/09/21

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE			RESPONSE STRATEGY / ACTION <i>Select from the 4T's (see Process worksheet for definitions and further guidance):</i>	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE
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<p>2. STAKEHOLDER ENGAGEMENT (Continued) If stakeholder engagement is not robust and effective but is critical to the delivery of the Council's priorities, statutory duties etc., these may not be delivered. An example of such is the need to have a continuing, productive partnership relationship with Clinical Commissioning Group which is particularly important in light of the importance for Adult Social Care of the Better Care Together Fund.</p>	<ul style="list-style-type: none"> - There is no common vision or consensus across key partners in the City and therefore the work of individual organisations pulls in different and potentially conflicting directions. - Places a strain on resources and services to manage. - Partners are present round the table but are not collectively owning the agenda or taking on board the responsibilities and actions that arise therefore undermining the approach - Public health and wellbeing may be impacted or the quality of the service delivered to the Public is insufficient, which could cause harm. - Less able or well placed to continue to respond to the current COVID-19 pandemic across LLR 	<ul style="list-style-type: none"> - The Council/ Police have a Community Gold meeting which meets approx. once a month and includes Local Policing Unit commanders, the Basic Command Unit commander and council officers from Leicester Anti-Social Behaviour Unit, youth services, community services. This tracks and agrees joint actions to address any known tensions in communities. This is supported by a shared system between front line officers from the police and the council to track community tension. Community joint management group now in place which creates a regular conduit for engagement with community leaders. - Public Health Consultant recruited to manage relationships across healthcare system partners and to drive collegiate working across board members. - Public Health have embedded a commissioning and contracts team within the division and have implemented Performance Review Groups and Quality Assurance Frameworks to manage delivery of services. 											
<p>3. CYBER RISK Loss or compromise of IT systems and/or associated data through cyber security attacks/Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.</p>	<ul style="list-style-type: none"> - Potential financial or reputational damage to Council. - Potential Data Protection breaches. - Service delivery affected - Data hacked and released into public domain - Fines from ICO - Staff stress increases - Damage to identified individuals - Denial of service 	<ul style="list-style-type: none"> - Ensure close monitoring of existing perimeter and internal security protection. - Continue working on staff awareness and training - Services have BCPs which cover loss of systems and ICT have a disaster recovery plan in place - Targeted follow up's including to staff whose actions may risk compromising security and debriefs from any threats/incidents; - Built into new system standards from 3rd party applications (secure passwords, TLS); - Daily back-up of systems - Maintain clear Major incident Management processes - Understand RPO and RTO capability for recovering critical systems - Appointed Security Operations Centre Lead to review and respond to threat intelligence - Achieved Cyber Essentials and cyber essentials plus accreditation - Undertaken Cyber Security Gap Analysis in light of increased flexible and mobile working and investment made in additional measures/solutions to enhance security and which includes a response to the new threat from Ransomware which attacks and compromises backup data. - City Mayor briefed on overall measures in place and will receive regular updates 	4	5	20	Treat	<ul style="list-style-type: none"> - Enhance Cloud Security - Continued Staff awareness training etc.. - Maintain Cyber Essentials Compliance - Review end point security tools - Continue to monitor and act on guidance from bodies such as National Cyber Security Centre (NCSC) 	4	3	12		Miranda Cannon / Carl Skidmore	31/01/22 and On-going

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<p>4. BUSINESS/SERVICE CONTINUITY MANAGEMENT</p> <p>Unforeseen unpredictable events such as flood, power/utility failure etc. could impact on the council's assets, communication channels or resources etc.</p>	<p>- Insufficiently prepared management leads to disorder in the rapid restoration of business critical activities and the control of the emergency plan.</p> <p>- The wider risk environment increasingly makes 'resilience' a significant focus for all organisations.</p> <p>- Budget cuts and rationalisation may also challenge the ability of Category 1 responders (which LCC are) to fulfil their statutory duty.</p> <p>- Resource restraints means that there is limited staff to perform manual operations at the volume required in an event/incident.</p> <p>- Council is unable to communicate to stakeholders/deliver its services.</p> <p>- Reputational Damage</p> <p>- Vulnerable service users in danger as such users face loss of service.</p> <p>- Financial Impact</p> <p>- Impact on resources</p>	<p>- All the Senior Management Team have roles in either the Corporate Business Continuity Management Team (CBCT) or are Emergency Controllers. Significant number of senior managers are on the on-call rota. COVID-19 pandemic has meant all business areas have had their business continuity plans tested to varying extents which has provided valuable learning and experience for senior and operational service managers. The Manager, Risk Management chairs the Multi-Agency Business Continuity Group.</p> <p>- All Business Critical Activities for the council are identified and named in the LCC Incident Response Plan. Critical Services BCPs are reviewed thoroughly and updated annually or as and when changes occur in service areas. These are then submitted to REBR who cast a critical eye on all these plans. A process of Business Impact Analysis is being used to complete a more detailed review of what are business critical services. Work has been completed to combine the Council's Corporate Business Continuity Plan with the Major Incident Plan to create a single LCC Incident Response Plan to ensure there is a streamlined and co-ordinated approach between business continuity and major incident response. Training related to the new plan is being planned for later 2021/22.</p> <p>- BCP Strategy and Policy tailored for the council in place to meet organisational needs and is taken through an annual review and approval cycle with the Executive and reported to Audit and Risk Committee.</p> <p>- Training offered corporately and has been appropriately adapted to be delivered virtually in the current circumstance.</p> <p>- Risk Management/Insurance Services/REBR Team provide updates and lessons learnt on incidents to CBCT/Audit & Risk Committee as appropriate</p> <p>- Self cert annually by Directors to confirm BCPs in place for all service areas</p> <p>- Desktop review of the Corporate Plan by insurers confirmed it is a well written plan. Internal Audit have completed an assurance review of risk management and given arrangements a high level of assurance</p> <p>- Resilience Direct Secure Site (web based) holds LCC Incident Response Plan and all Business Critical Activities BCPs (alongside emergency planning documentation) and is securely accessed by the CBCT and electronic logging system in place to support incident management</p> <p>- Training run for all staff involved including LRF training/meet each on call officer individually for an annual half hour briefing</p> <p>- Assisting maintained schools on BC planning</p> <p>- COVID-19 has put the corporate and all service business continuity plans into practice. The organisational response included a major shift to home-working for a significant proportion of staff and services, as well as certain critical services having to adapt to continue working whilst maintaining safe working practices. This has been a major challenge but the organisational response has been robust and has truly tested our plans and</p>	4	2	8	Treat	<p>- Further embedding of business continuity management approach through continued training and awareness raising.</p> <p>- Further completion of Business Continuity testing.</p> <p>- Further communication/training and awareness for staff on continuity arrangements.</p> <p>Contingency planning training continues to be delivered to levels of management below the Corporate BCP and all staff.</p> <p>- Complete the review of the number of Business Critical Activities and to reduce them to ensure recovery from an incident is more efficient and effective.</p> <p>- Conduct a formal debrief of the Business Continuity response to COVID-19, report this formally to CMT and Audit and Risk Committee and amend as appropriate organisational plans and arrangements to take account of key lessons learnt</p> <p>- Business continuity plans are being discussed with and requested from Public Health commissioned services and suppliers to ensure appropriate levels of resilience for statutory services delivered</p>	3	2	6	Miranda Cannon	31/01/22 and On-going

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Appendix 2 - LCC Strategic Risk Register

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<p>5. INFORMATION GOVERNANCE Information Governance/Security/ Data Protection policies/procedures/ protocols are not followed by staff and members.</p>	<ul style="list-style-type: none"> - Major loss of public confidence in the organisation. - Potential litigation and financial loss to the Council. - Reputational damage to the Council. - With data held in a vast array of places and being transferred between supply chain partners, data becomes susceptible to loss; protection and privacy risks. - Reduction in the capacity/capability to retain such data. This could also be costly. - Excessive retention of data can still be requested through a Freedom of Information Act if retained. - Council may not share data with the appropriate individuals/bodies accurately, securely and in a timely manner. - Council fails to adequately secure/protect confidential and sensitive data held. - Possibility of not being compliant with data protection legislation (GDPR, Data Protection Act 2018, PECR, HRA) 	<ul style="list-style-type: none"> - Clear policies and protocols in place. - Staff have been trained and made aware of the Council's policies and procedures. - Secure storage solutions are now in place. - Paper retention has been reduced through the introduction of scanning etc. - Mandatory e-learning module for staff has recently been reviewed and revamped and rolled out corporately - Monthly reporting of information security incidents-and annual reporting to CMT on all aspects of Information Governance - GDPR action plan implemented and regularly reviewed - Work undertaken to prepare for changes arising from EU Exit in relation to data adequacy with additional period of time agreed between Govt and EU to now address this. - Corporate Information Group now meeting again regularly involving key areas and senior managers from across the Council to ensure robust policies, procedures and approaches are in place to information management and governance 	3	4	12	Treat	<ul style="list-style-type: none"> - Clear and on-going communications to staff to reinforce policies & protocols. Data Protection and Freedom of Information training available across the Council - Regular review and monitoring of arrangements across services by Service Managers supported by Information Security/Governance Teams. - Ensure staff are aware of the policy around the management of electronic data and disposal of data - Ongoing review and updating of appropriate information sharing agreements. - Information asset registers, Privacy Notices, policies & procedures and contract clauses regularly reviewed - Regular external audit of GDPR compliance in place - Continue to monitor and take action accordingly in relation to changes arising from EU exit 	3	3	9		Alison Greenhill	30/09/21 and On-going

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<p>6. COMPLIANCE WITH REGULATION, POLICIES, PROCEDURES, HEALTH AND SAFETY ETC</p> <p>Local management use discretion to apply inconsistent processes and misinterpret corporate policies & procedures, perpetuating varying standards across business units.</p> <p>The Council fails to respond effectively to the requirements of Health and Safety Executive/Government proposals and/or legislation which places health and safety responsibilities on local authorities. Response to COVID-19 does not follow relevant guidance and procedures / ongoing changes to Government position and PHE guidance are challenging to respond to</p>	<ul style="list-style-type: none"> - Places the organisation at risk e.g. fraud, data loss, litigation etc. Potential financial losses / inefficient use of resources. - Possibility of serious injury or death of member of staff or service user/members of the public. - Failure to meet statutory responsibilities. - Reputational damage to the Council. - Negative stakeholder relationships - Potential for increase in the number of insurance claims 	<ul style="list-style-type: none"> - Day to day management of Health and Safety responsibility rests with the Operational Directors and their Heads of Service. Corporate Health and Safety team available to assist. New Corporate H&S Manager in post and is reviewing the overall approach including H&S audit approach - Risk is reported and controlled through Divisional Directors Operational Risk Registers (presented to the CMT and the Executive three times annually and reported twice yearly to Audit and Risk Committee) and these are underpinned by registers at Heads of Service level reviewed and discussed at Divisional Management Teams quarterly. Internal Audit have undertaken an assurance review of risk management arrangements and given a high level of assurance and for 21/22 audit plan are undertaking a further review looking at how effectively the approach is embedded at a divisional level. - Regular inspections and reports by the Health and Safety team with all actions being followed up within a reasonable time. Close involvement of Trade Unions in monitoring and reviewing Health and Safety. CMT receive monthly data on the completion of SO2 incident investigations. Quarterly meeting between H&S, Risk and Insurance services to review any recent claims and incidents. - Corporate Management Team receive a regular report on health and safety matters via the risk management reports. New Corporate H&S Manager also reviewing reporting approach - Significant targeted work has been undertaken on absence management across the Council which has resulted in a reduction in sickness absence. A detailed and ongoing programme of work is in place around staff health and wellbeing including a strong focus on mental health and wellbeing. Significant support and guidance on this has been a key feature of the COVID-19 response, including a virtual health and wellbeing festival for staff and a working group overseeing this with involvement and support of TUs. - Current corporate equality strategy approved by Council in June 2018 which supports the Council in ensuring it meets the requirements of the Equalities Act 2010 and the Public Sector Equality Duty. Action plan which supports this is being refreshed and will be-monitored quarterly. EIA training successfully being delivered and has been refreshed and improved by new Corporate Equalities Manager. Targeted training delivered to CMT, Executive, Scrutiny Chairs and members. - Officer decisions process agreed and implemented to ensure compliance with the relevant legislation. - Guidance in place locally linked to PHE guidance on PPE in relation to COVID-19. Risk assessments of workplace, work activity and where appropriate for individual staff members, mandated as key to ongoing management of risks relating to COVID-19. Regular communication to managers and staff on current COVID-19 rules and requirements particularly around safe working 	4	3	12	Treat	<ul style="list-style-type: none"> - Continue to review and reinforce key standards and policies via regular communication. - Ensure Managers are appropriately trained and requirements are clearly set out in Job Descriptions and reinforced via appraisals. - Ensure Internal Audit findings are acted on in a timely manner. - Continue to refine and improve strategic monitoring and reporting in relation to Health & Safety to ensure responsibilities are reinforced from the top. - Continue delivery against the equalities strategy action plan including EIA training and targeted work in key areas - Quality assure risk assessments relating to COVID-19 and continue to review and update corporate guidance as necessary. Maintain robust systems and processes relating to PPE supply and management. Keep under review safe working practices relating to buildings including in light of wider guidance/government position 	3	3	9	Kamal Adatia / Miranda Cannon	31/01/22 and On-going

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7. SAFEGUARDING - PROCESSES Weak Management oversight of safeguarding processes in place leads to the Council failing to adequately safeguard vulnerable groups e.g. children and young people, elderly, those with physical and learning disabilities.	- Death or serious injury. - Serious case reviews initiated. - Reputational damage to the Council. - Citizens lose confidence in the Council. - Negatively impacts on relationships with stakeholders. - Impacts severely on staff morale - Leads to high turnover of social workers and managers.	- Safeguarding Adults Board and Safeguarding Children Partnership in place. - Regular meetings of the Statutory Partners, both for Leicester and across LLR - Regular reviews of policies/procedures and close supervision of staff. - Range of quality assurance processes exist within the Divisions. - Range of developments, including corporate training, exist within the Divisions to manage, support, recruit and retain staff. - Improvement Board established following the Ofsted inspection and other arrangements e.g. Performance Board set up. Latest Ofsted inspection of Children's Service commenced 20 September 2021. - 24/7 Duty and Advice Service in place - Single assessment team in place which has resulted in a reduced caseload and more timely intervention - Version 11 of Liquid Logic implemented successfully	5	3	15	Treat	- Board performance and framework development. - Chair of Adults Board and Independent Adviser to Children's Partnership both have direct accountability through Chief Operating Officer. Independent Adviser to Safeguarding Children Partnership in place - Regular bi-annual meetings with Mayor and Adults and Children's Lead Members, and quarterly meetings of Strategic Director and Lead Member with City Mayor and Chief Operating Officer - Full implementation of all necessary improvements identified via the Ofsted inspection of Children's Services in 2017 - overseen by Improvement Board and Independent-Adviser. Review and respond to report and subsequently the recommendations of Sept/Oct 2021 inspection when received. - Performance framework in place across Children's - positive progress highlighted in recent Ofsted reports - Business Units being reviewed across LLR to ensure arrangements offer best value for money and meet requirements fully	5	2	10		Martin Samuels	31/01/22 and On-going
8. SAFEGUARDING - SKILL SHORTAGE A national skill shortage in conjunction with Leicester being a challenging area in comparison to neighbouring areas creates difficulties in securing or retaining Health Visitors.	- The ability of our commissioned Childrens services to provide adequate safeguarding is reduced, leading to an increased risk of : - Serious incidents being missed leading to death or serious injury to children or vulnerable adults - support needs not being identified or met. - Increased strain on existing Health Visitors leading to increased staff turnover and fatigue impacting quality of work. - Severe reputational damage to LCC.	- Commissioned Childrens service has introduced a skill mix framework to alleviate Health Visitor pressures whilst maintaining adequate safeguarding. - Ongoing work to make Leicester a more attractive location for Health Visitors to attract and retain skilled workers. - Strong relationship and regular communication in place with the service to ensure issues are identified in a timely fashion	5	4	20	Treat / Transfer	- Ongoing close monitoring of the service. - Consideration to be given to ability to further compartmentalise workloads into skill brackets needed in order to reduce strain on Health Visitors in regard to caseloads whilst retaining adequate skilled oversight of cases.	5	3	15		Ivan Browne	31/01/22 and Ongoing

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<p>9. SCHOOL IMPROVEMENT The Council receives a school improvement grant for its retained statutory functions but this has been reduced year on year as schools have converted to academy status. De-delegated funding from School Forum for primary schools has led to the setting up of School Improvement Leicester. The council works in partnership with SIL to provide additional school improvement development. The Council's capacity to both support schools has been reduced but is in a stronger partnership to undertake its statutory role to hold schools to account. Additional pressures of COVID19 on schools and the lack of formal assessment in 2020 and in 2021 means that there is no data available to review remotely and the council will be reliant on reduced capacity to collate and review the position of its schools. The school improvement and monitoring grant provision is being reviewed by the DfE</p>	<p>- Poor OFSTED outcome for schools which affects morale and reputation and leads to poorer outcomes for children and young people</p>	<p>- Revised desk top analysis to identify potential underperformance in individual schools and settings based on previous years' data and other qualitative data - Revised School Improvement Framework that reflects the lack of statutory assessment information - Regular reporting to LTM and LMB on schools causing concern and targeted work - At risk schools discussed and warning notices considered - All schools are expected to carry out an annual safeguarding audit - Some schools, considered "at risk" and/or near inspection are offered an audit - Working with most schools in the Primary sector through a school-led system and a collaborative approach to school improvement. - Develop a strong relationship with the newly established School Improvement Leicester partnership and ensuring a strong offer of school to school support across the City. - Current COVID19 epidemic has led to more desktop activity including specific vulnerable children data returns to support understanding of safeguarding risks - Ongoing support for schools re risk assessments, sharing of good practice, and managing COVID. Wellbeing training and exemplar work for remote learning and assessment.</p>	3	3	9	Treat	<p>- Single plan implementation for RI schools Access to DfE funding for targeted schools. - Strong partnership working has been developed both across the LA and between schools to provide guidance support and challenge - Further development of the strategic leadership and collegiate development of an education strategy to improve outcomes and provision has been delayed by Covid. - Preparation for inspection to include briefing to all schools. - Further develop induction process for new heads. - Review financial controls on maintained schools (internal audit) - Intelligence gathering across council to gauge school's performance across its functions to inform where challenge and improvement is required. - Robust challenge to underperforming Governing Bodies</p>	3	2	6	Sue Welford	31/01/22 and On-going

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<p>10. CIVIL CONTINGENCY RESPONSE/INCIDENT RESPONSE</p> <p>Council resources may not be adequate or sufficient to respond should an external incident/disaster occur, for example, flooding, pandemic, explosion, major fire or disruption such as fuel shortage, major power outage etc</p>	<ul style="list-style-type: none"> - Having sufficient financial resources and flexibility to address these challenges becomes increasingly difficult. - Having sufficient assets/contingency arrangements. - Lack of resources could lead to inadequate response - Impact on the public's health and wellbeing, safety/housing needs etc. - Adverse impact on budget - Reputational impact - Death/injury - Potential for increase in the number of insurance claims - Negative relationships with stakeholders - Fail to meet statutory requirements - City Council fails to respond effectively to the requirements of Government proposals and/or legislation 	<ul style="list-style-type: none"> - Risk is reported and controlled through the Divisional Directors Operational Risk Registers (presented to Corporate Management Team and Executive 4 monthly) - Local Resilience Forum (LRF) county wide partnering arrangement in place. - Leicester City Council (LCC) is part of the Resilience Partnership of local authorities in LLR. LLR Health Protection Committee coordinates health protection response across LA/PHE/NHS - Regular training provided via LRF and Resilience Partnership to relevant staff - City Council major incident plan combined with the Corporate Business Continuity Plan to create a single LCC Incident Response Plan to ensure a well co-ordinated response to incidents which both impact business continuity and require multi-agency responses such as COVID-19. A significant number of LCC senior managers provide on-call cover and are trained to do so, this is supported by an on-call function for communications and specific service areas also have out of hours emergency cover arrangements. - Emergency control room fully equipped and operational at City Hall and provides a facility for both local management of emergencies and use by the LRF as a SCG venue. Regularly tested/used for large scale events - Logging system implemented to support major incident response and event management - Current COVID-19 epidemic required the full LCC and LRF emergency management response arrangements to be enacted. The LRF declared a major incident in response to the COVID-19 pandemic in early 2020 and in May 2021 stood down from a major incident and handed over to an LRF recovery structure to ensure ongoing co-ordination around recovery across LLR. LCC has been able to fully respond and support the LRF structures and activity throughout the ongoing epidemic and this has pulled in all senior officers. The LRF is currently finalising a debrief on the strategic and tactical response to Covid-19 which will make recommendations to support any future incidents - Briefings provided to scrutiny on emergency planning and incident response to increase member understanding and awareness 	4	3	12	Treat	<ul style="list-style-type: none"> - LRF and Resilience Partnership arrangements continue to be reviewed - Robust schedule of plan reviews and training in place and agreed via the LRF - LLR-wide Health Protection Committee arrangements under review to provide assurance around management of health protection risks/ incidents and outbreaks - Continue to undertake full debriefs from any incidents and ensure lessons learnt and recommendations are acted upon. - Ensure lessons learnt from recent LRF Covid-19 response debrief are reflected in future plans and arrangements - Member development programme includes briefings on emergency planning for Councillors 	3	2	6		Miranda Cannon / Ivan Browne	31/01/22 and On-going
<p>11. CLIMATE CHANGE</p> <p>An increase in hazardous weather events (flood, heat-waves, drought, windstorm, increased snow fall etc.) and the inability to respond to adverse weather conditions in a timely manner. A failure to support delivery of wider national climate change targets</p>	<ul style="list-style-type: none"> - Impact on the public's health and wellbeing, safety/housing needs etc. - Adverse impact on budget - Reputational impact - Death/injury - Potential for increase in the number of insurance claims - Not meeting carbon footprint reduction target - Fail to meet legal requirements/litigation issues - Impact on tourism/healthcare - Negative impacts on local businesses - Not meeting carbon neutrality 	<ul style="list-style-type: none"> - Corporate Management of this is outlined in the Climate Emergency Strategy & Action Plan which has been launched and which covers all areas of management activity across the Council. The Climate emergency is one of the council's top three priorities to tackle. Senior Officer Project Board in place chaired by the COO which is monitoring progress on delivery of the action plan - Management of climate change risk rests with the Operational Directors and their Heads of Service. - Risk is reported and controlled through the Divisional Directors Operational Risk Registers (presented to Corporate Management Team and Executive 4 monthly) - Local Resilience Forum (LRF) county wide partnering arrangement prepared and has plans to respond to major weather events eg flooding. - Statutory flood and water risk management duties rest with the Lead Local Flood Authority Board. - The Council has been successful in securing £2.125m of Green Home Grant to continue supporting the delivery of low carbon and renewable energy efficiency measures to domestic dwellings within the city. A further £900k is being added to this programme by the Council to enable this work. - A Housing Division Climate Emergency Board has been set up to oversee delivery of the Corporate plan elements it is responsible for and also drive forward further work in the area of Housing and Transport to address the climate emergency - Members of the Corporate Senior Management team have undertaken Carbon Literacy Training to continue to inform, educate and raise profile and priority of Climate Emergency in the Council and this is being rolled out to scrutiny members 	4	3	12	Treat	<ul style="list-style-type: none"> - Public engagement and city wide flood defence programmes are being developed jointly with the Environment Agency. This provides a two-pronged approach to manage the risk of severe flooding arising from climate change - Ongoing implementation of the new climate emergency plan - Continue to develop partnerships across the city to raise awareness and encourage action to address climate change 	4	2	8		Matt Wallace	31/01/22 and On-going

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<p>12. RESOURCE: CAPACITY, CAPABILITY, RETENTION & DEVELOPMENT</p> <p>Lack of workforce planning and appropriate development of managers and employees leaves the Council exposed to service failure.</p> <p>The Council does not have the capacity/resilience in resources, should an event/incident occur, may significantly increase the demand on front line services. Changing market conditions gives rise to the council not being seen as first choice for employment as private sector may be perceived as offering better reward. Bouyant and competitive recruitment market makes it harder to attract candidates</p>	<p>- The Council does not have the right skills, behaviours and competencies in terms of the workforce to deliver the city's vision and priorities</p> <p>- The Council fails to maximise the potential of its key resource</p> <p>- Staff become demotivated/are under pressure which has an impact on productivity and delivery across the Council</p> <p>- Disruption to service delivery</p> <p>- Impacts on continuity of services. Creates risks in delivery because information on processes/procedures etc is lost</p> <p>- Service demands may not be met</p> <p>- Reputational damage</p> <p>- Financial impacts</p> <p>- Drain on resources</p> <p>- Potential reduction in controls being exercised and as a result, the business control environment is reduced</p> <p>- Potential exposure for fraud/irregularity</p> <p>- Impact on the Health and Wellbeing of the City</p> <p>- Council loses knowledge, experience and skills</p> <p>- Posts not filled with the right skills set/qualification/experience</p> <p>- changing market conditions may result in the Council being unable to recruit to specific posts or attract candidates of the right skill mix</p>	<p>- Comprehensive Organisational Development programme in place covering a range of key priorities including: Enabling our best work programme which continues to focus on the leadership qualities and embedding them into the employee lifecycle along with the embedding of the quality conversations framework for employee performance management and supporting tools and guidance around performance management and leadership. Programme of leadership development scoped and commissioned and is being rolled out. Leaders Hub in place along with recently launched learning hub to provide virtual and elearning resources. Focus also on a workforce Equality, Diversity and Inclusion programme.</p> <p>- Active programme of work to support young people into employment and to utilise graduates, apprenticeships, work placements, kickstarts etc across the Council and to maximise the use of the apprenticeship levy.</p> <p>- Significant numbers of graduates and apprenticeships in place within the Council.</p> <p>- Weekly gateway review process implemented for strategic director level scrutiny of all recruitment requests with a particular focus on supporting entry to employment targets</p> <p>- OD programme includes a focus on developing the digital skills and competencies within the workforce.</p> <p>- CMT agreed work to be progressed around managing talent and workforce planning following specific pilot work done within Neighbourhood Services which was reported back to CMT. Further work being done to progress workforce planning in specific areas.</p> <p>- Ongoing work around solutions in relation to hard to recruit roles plus a focus on reducing spend and reliance on overtime through consideration of other appropriate solutions.</p> <p>- COVID-19 response has demonstrated the ability of the organisation to be agile in both utilising technology as well as managing staffing resource flexibly, including temporary voluntary redeployments of staff from services which were closed to the critical services.</p>	3	4	12	Treat	-Delivery of OD programmes of work around leadership, entry to employment, workforce planning, performance management and regular reporting to Strategic Directors to review progress and impact	2	3	6		Miranda Cannon / Craig Picknell / Strategic Directors	31/01/22 and On-going
<p>13. COMMISSIONING, CONTRACT MONITORING, MANAGEMENT & PROCUREMENT</p> <p>Lack of robustness in contract management & monitoring protocols/procedures/controls and limited awareness/understanding of contractual risks by staff within the Council, particularly by those procuring for goods/services.</p>	<p>- Reputational damage.</p> <p>- Financial impacts; not secure value for money and/or required service delivery.</p> <p>- Potential for challenge/litigation and fines being incurred with associated cost/resource implications</p> <p>- Contracts may not be adhered to.</p> <p>- Procurement processes may not be efficient</p>	<p>- New revised Contract Procedure Rules in place (March 2020) along with guidance.</p> <p>- Policy that all procurement over a stated threshold should be carried out by one of the specialist procurement teams.</p> <p>- Professional procurement staff recruited and in post</p> <p>- Professional training for procurement staff (MCIPS)</p> <p>- Electronic tendering system in use</p> <p>- Procurement template documentation in use</p> <p>- Service Analysis Team have completed an analysis of commissioning and contract management corporately</p> <p>- Implications of EU exit on procurement procedures considered and advice provided to officers.</p> <p>- Any further impacts will continue to be monitored and guidance provided as necessary</p>	3	4	12	Treat	- Further guidance being produced to support new Contract Procedure Rules	3	3	9		Kamal Adatia	31/01/22 and On-going

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14. ASSET MANAGEMENT That ahead of the adoption of the Council's strategic and corporate asset management plans and associated focus and targeting of funds, that the condition of certain properties will deteriorate.	- The council's assets may fall into disrepair, resulting in increased maintenance costs, interruption to service delivery and potential for reductions in rental, capital and asset values.	<ul style="list-style-type: none"> - Final Asset Management Plan developed, including lifecycle planning for schools - A single corporate asset management system is now in place - Asset condition survey data held on the Concerto system is used for addressing priority actions. - Compliance data (fire, asbestos, water) is held on a centralised system and used to track risk - Corporate Landlord Fund has provision for emergency reactive repairs - Structural data is used to identify high risk building elements - Business partners in the property team provide the necessary intelligence to the corporate landlord regarding corporate property requirements. - Continued development of effective planned maintenance programme is in place across the estate - Performance measurement in place to provide assurance regarding compliance - Concerto being established and populated to work as the single corporate asset management system 	4	3	12	Treat	<ul style="list-style-type: none"> - Continued development of effective planned maintenance programme across the estate - performance measurement in place to provide assurance regarding compliance- concerto being established and populated to work as the single corporate asset management system - Development of a comprehensive building maintenance strategy to enable the prioritisation of capital improvement to reduce the backlog maintenance costs and targeted investment into critical Council properties to optimise the Council's Corporate and Operational Estates and associated incomes. EBS to undertake a full asset capture exercise to ensure data is held fully within Concerto. This will enable the Council to plan for critical replacements and therefore further reduce risk. - Regular asset valuation - Review of future asset needs in conjunction with other Corporate work on New Ways of Working - Corporate Depot review and rationalisation ongoing 	3	3	9		Matt Wallace	31/01/22 and On-going
15. DIGITAL TRANSFORMATION The council may not be able to maximise the use of technology and data to work smarter and more efficiently, reduce costs and deliver customer friendly services. Integration of data, workflows and systems may not be delivered as required	<ul style="list-style-type: none"> - LCC is not able to meet the savings targets - Service delivery may not be met or may be compromised - Demand management may become problematic as increased population and draw on services. - Service costs may increase as more demand is placed on expensive channels - Demand and service costs are increased if the end to end transformation of both the service area and the IT/data is not delivered as creating a digital presence only increases the process, rather than streamlining - Reputational damage to the council as demand pressures increase - Customer experience is poor, leading to complaints and an increased demand as customers are accessing the services multiple times for the same transaction 	<ul style="list-style-type: none"> - Scope, vision, objectives and design principles for the digital transformation programme were agreed. - Digital Transformation Programme Manager in post. Lead Member involvement in the programme with regular lead member briefings. - Digital Transformation Board and a digital transformation gateway process to manage projects is agreed and in place supported by a weekly Digital Transformation conference call led by senior officers. DT Board has recently been refreshed with new terms of reference and expanded to become the Digital, Data and Technology Board reflecting a broader focus beyond just individual projects. - Key metrics agreed with the Board and being regularly reported including realisation of savings/efficiencies - Work underway on the further development of the existing open data platform. - Council has signed up to the DHCLG digital declaration and is engaged with the national Digital Collaboration Unit to support the programme including making good use of their training and events offer. Team is also ensuring good networking through other events and conferences to keep up to speed with latest digital developments - DT Team have been deployed to support digital solutions during the COVID-19 response. The response itself has involved a wholesale shift to 'virtual' working and in many areas required a shift to a digital offer for services eg around 70% of Adult Learning has moved to on-line. This has provided a major opportunity in terms of digital transformation, underpinning technologies and workforce skills, confidence and capability - will be important to build on this further as part of the programme - ICT commissioned an external review of ICT infrastructure to support development of a strategy which will underpin the medium-to-longer term digital transformation of the Council 	3	3	9	Treat	<ul style="list-style-type: none"> - Complete the org review to embed the approach as on ongoing way of working - Continue with the DDAT Board and weekly gateway review process to ensure robust governance around digital, data and technology based transformation and projects. Build on this to develop clear programmes and governance around data, ICT architecture and customer experience 	3	2	6		Miranda Cannon / Carl Skidmore	31/01/22 and On-going

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<p>16. ENSURING STATUTORY RESPONSIBILITY FOR PROVISION OF SECONDARY SCHOOL PLACES</p> <p>Failure to provide secondary schools places in line with statutory responsibilities Uncertainty over the delivery and timing of government free schools, together with risks around the impact of Brexit, results in the city having either insufficient or a surplus of secondary school places.</p>	<p>- Surplus space developed which prejudices particular schools resulting in closures or that of the free school programme stalls and we find a lack of places, with subsequent impact on our legal duty, the education of children and the reputation of the Council.</p> <p>- This would also carry financial impact in terms of emergency mitigation measures required.</p>	<p>- We are reviewing our projections constantly to ensure we maintain a balance of supply and demand. We now have in place clear check points throughout the year such as offer day, October census, on time applications which allow clear touch point and review periods to ensure close monitoring of places</p> <p>We have established governance in relation to the free school programme. We have monthly meetings, clear governance around programme risk and cost so we understand as LA where we are on the free schools programme. We are continuing to have dedicated officers work with the DFE to maintain oversight of the programme.</p> <p>- At the moment we have established a balanced approach to pupil place provision, between temporary places, permanent places and a programme of planned places. This is under constant review, however this approach provides the local authority the opportunity to be very flexible around supply, oversupply and future demand.</p> <p>Future projections and modelling of places is now reviewed by a third party as part of the verification process to ensure any projections and this has helped the LA established historical patterns and a larger sample of housing yield.</p> <p>- National data sets used to triangulate local needs, such as NHS projected birth data and GP registrations.</p> <p>- Officers monitor the approved free school programme applications, to ensure programmes remain on track around place provision delivery and operate any contingency mechanisms should sippage occur</p> <p>- Working with secondary schools around the city to facilitate temporary provision of space</p> <p>- Full team in place to work alongside DFE to help support the delivery of additional spaces through the current government programmes such as free schools. This includes review current surplus council assets and land.</p> <p>- In order to reach a point of certainty in the provision of space we are working both internally and with assistance from independent experts to review our place planning forecasts and develop phased provision of new space. This work is being managed by an internal - Schools Estates Governance Board and is reporting regularly.</p> <p>- Ensuring all projections and tolerances are understood including contingency measures which need to be implemented at each milestone and check point should it be identified that we the authority is falling below the projection.</p> <p>- Regular updates to all stakeholders in relation to pupil number projections.</p>	3	3	9	Treat	<p>- Following a review of the pupil place planning team we recommended recruiting and placing further resource into this area to strengthen our oversight,</p> <p>- Closer working relationship with trusts, DFE and the RSCs offices,</p> <p>- Great clarity on data sets and impacts of other element, such as Brexit on student and cohort class room growth in the city,</p> <p>- Data reviews received frequently and sufficient control measures currently in place</p> <p>- Should additional resource be required this will be put in place</p> <p>- Close working with both school in the city and government programme is continuing to ensure sufficient places are provided.</p> <p>- Progress is reviewed monthly by the Strategic Director of Social Care and Education and the Principal Education Officer.</p> <p>- A Senior Development Officer has been deployed to facilitate the progress of the Free Schools programme.</p>	3	2	6		Sue Welford	31/01/22 and On-going
<p>17. SUPPORT FOR PUPILS WITH SEND</p> <p>Following a Local Area Review of SEND in Spring 2018, a written statement of action was required in order to show how improvement would be brought about. These improvements need to be achieved in the context of significant financial pressures on the High Needs Block (HNB) which will require the Council to reduce expenditure on SEND for 2019/20 when reserves of the HNB are exhausted.</p>	<p>- Failure to implement improvements would lead to an extension of the WSOA requirements and reputational damage to the Council. It could also impact on the forthcoming ILACS inspection of children's services.</p> <p>- Failure to ensure reductions in spend on SEND however would mean that the Council would have to financially subsidise the HNB</p>	<p>-Ofsted and CQC reinspected the SEND service on 5/6/7 May and the verbal feedback highlighted the improvements made to 4 of the 5 domains. Formal written confirmation received and the LA has been required to submit an Accelerated Progress Plan (APP), which has been signed off by the Department for Education (DfE). The APP is due to be delivered by Jan 2022 and is being lead by health. The APP relates to the 1 domain that was non compliant. If the progress update is deemed to be sufficient then the Council's SEND service will no longer be subject to any DfE oversight.</p> <p>- A SEND position statement re the number of additional special school placements needed over the next 5 to 10 years, is due to be launched in December 2021, . This will be used to seek additional suitable dispersed special school placements (DPS's) which will reduce the cost of placing children and young people in the more expensive special schools, which is often not always needed. It will also enable out of area placed pupils to be placed in city schools, reducing the additional travel and residential costs. A programme Board is also in place to reduce the use of taxi costs.</p> <p>- A review of the High Needs Block funding is also in progress and a separate project is looking at reducing the number of taxi journeys for SEND children as a means of reducing costs. This includes approval from the Executive 16 Sept to consult on a revised SEND Transport Policy.</p>	3	3	9	Treat	<p>- In relation to budget pressures, options will need to be considered for a possible restructure of SEND staffing in line with statutory and non statutory functions.</p>	2	3	6		Tracie Rees	31/01/22 and On-going

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<p>18. CORONAVIRUS (SARS coronavirus-2 (SARS-CoV-2)) Locally results in significant loss of staff at any one time and/or wider national or local measures designed to slow the spread of COVID-19 cause significant impacts on service delivery and the wider city</p>	<p>- Council is unable to deliver any services including essential/critical services, or only deliver to a significantly reduced extent. - Significant risk to the health, safety and welfare of staff and residents including vulnerable services users. Significant impacts on the local economy causing resulting impacts financially on the Council from reduced revenue including loss of income for commercially traded services. Reputational damage should the Council not be able to respond adequately</p>	<p>- At the end of June 2020 in light of an increase in cases in Leicester compared to nationally a local lockdown was implemented by Government. - An Incident Management Team (IMT) set up for local lockdown continues to manage and oversee the response within the city. The IMT has implemented a range of interventions including a significant programme of testing using door to door and local testing units, significant communications and community engagement activity, locally led contact tracing including being one of the first LAs to very successfully pilot full local contact tracing, significant work to engage with businesses on COVID-safe practices as well as ongoing work to support social care and education. These interventions were successful in reducing significantly the number of cases in the city over the summer/early autumn 2020 and led to an easing of the additional restrictions placed on the city. - A report by Dame Mary Ney on lessons learnt from the local lockdown recognised and praised the local response and many of the interventions have now been replicated elsewhere. - Nationally restrictions were fully lifted although case rates remain high particularly amongst younger people and the city's rates have typically been above the national average. Work continues with Health to focus on maximising vaccination uptake particularly amongst specific groups with lower uptake as well as working to promote take up by 12-15 yr olds and of booster vaccinations</p>	4	4	16	Treat	<p>-The IMT and LRF structures will continue to oversee the city's ongoing response and recovery and will continue to update the City Mayor and Executive and other members including scrutiny via OSC along with all member briefings as appropriate. - Intensive testing programme will continue along with other key activity such as comms and community engagement to seek to stop the transmission of the virus and ultimately to then sustain this position. - Delivery of the vaccination programme to maximise levels of protection in the city and particularly targeted those groups with lower take up</p>	4	3	12	Miranda Cannon / Ivan Browne	31/01/22 and On-going
<p>19. CORONAVIRUS ECONOMIC IMPACT Loss of economic activity and rising unemployment impacts on demands for council services, reduces income streams and undermines city centre.</p>	<p>- Experience to date shows significant direct impact on council income streams from loss of revenue for parking, tickets sales etc. - Longer term impacts in regards to business rates and business failure uncertain. - Growing unemployment likely to result in distress for many household budgets, with further threat to rental payment, council tax collection etc. - Growth in income, social and health inequalities highly likely alongside growth in demand for other services linked to mental health, domestic abuse, drug and alcohol etc.</p>	<p>- Council services been flexed to respond to central government requirement to administer business support grants with £80.3m delivered to more than 6,400 businesses in recent months. - Support provided to over 12,000 vulnerable and shielding individuals. - Staff resources moved to support direct work to identify and reduce COVID infection. - Considerable amount of direct business support provided through council teams and working with partners. - Impact on council capital programme delivery mitigated by proactive renegotiations with contractors to enable projects to proceed. - Quick response to call for 'shovel ready' schemes will enable St Margaret's bus station redevelopment. - Close dialogue maintained with key developers to reassure and keep investment pipeline moving. - Preparatory work done to design economic recovery plan priorities for council. - Enhanced direct and earlier support & intervention has been provided to those facing Homelessness (often linked to the Economic impact) to assist with preventing loss of housing. - Enhanced support to Vulnerable Council tenants to swiftly work with and address personal changing circumstances such as unemployment</p>	4	4	16	Treat	<p>- Overall economic trends beyond council control. Response to COVID 19 crisis heavily dependent on central government actions. - City council economic recovery plan will support the most vulnerable, improving government support schemes eg Kickstarter programme for young people by extending employment contracts, enhancing the work experience offer. A new city centre plan will focus on essential actions to assist recovery and mitigate threat from retail decline etc. New capital investment schemes to drive recovery via Levelling Up Fund including rail station if supported by government. - Maintenance of capital programme, maximising use of purchasing powers to secure local benefits, effective partnership work and creating new 'green job' opportunities will be other key themes</p>	3	3	9	Richard Sword / Mike Dalzell	31/01/22 and On-going

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<p>20. NEW WAYS OF WORKING PROGRAMME</p> <p>The shift to a more agile working approach including increased home and flexible location working adversely impacts on staff wellbeing eg isolation, stress and physical wellbeing, and there is a need to manage by outcomes rather than presentism. May adversely impact on city economic recovery from reduced number of staff working in the city. Programme may not deliver realistic benefits such as saving on building running costs.</p>	<ul style="list-style-type: none"> - Increase in staff sickness absence including stress and musculo-skeletal - Fail to take into account specific needs and reasonable adjustments for individuals - Reputational impact - Financial impacts - Service delivery may not be met or may be compromised - Failure to take account of impacts on customer service - Staff become demotivated/are under pressure which has an impact on productivity and delivery across the Council - Disruption to service delivery 	<ul style="list-style-type: none"> - Programme Board in place reporting regularly to CMT. - Programme plan in place and on track. - Specific measures being identified to be used to identify impact of future changes. - EIA under development to ensure equalities considerations are fully taken into account. - Significant engagement with staff, employee groups and Trade Unions. - Comprehensive data collection being undertaken to understand work profiles for all roles and workspace requirements. Healthy workplace survey undertaken and results analysed and will inform actions that will support the programme around areas such as staff health and wellbeing - All the key support functions closely engaged in the programme - HR, OD, Health and Safety, Equalities, ICT and Estates and Building Services - Updates reported to Executive and scrutiny via OSC. Phase 1 of the programme will enable the release of 3 buildings via a 30% reduction in space utilisation and realise c£1m savings. Phase 2 of the programme being scoped which will look at further opportunities. - Work ongoing around agile leadership and culture and what it means for LCC and how to embed this in terms of management and leadership behaviours. ICT requirements defined and implementation underway with alternative approach to sourcing hardware being taken in light of the challenges of sourcing via usual suppliers due to global shortages of components. 	4	3	12	Treat	<ul style="list-style-type: none"> - Implement phase 1 around buildings. Continue work on engagement and development activity on agile leadership, culture and behaviours. - Profile benefits including savings and develop programme dashboard. - Define and plan specifically phase 2 of the programme 	3	2	6		<p>Miranda Cannon / Craig Picknell / Carl Skidmore / Matt Wallace</p>	31/01/22 and On-going
<p>21. ASYLUM & REFUGEES</p> <p>The current events in Afganistan, the increased activity of refugees fleeing their Country and crossing the Channel in to the Country is placing as a welcoming City and a City that is voluntarily part of the NASS dispersal scheme, is creating an increasing concentrated demand upon Leicester City services and resources including the provision of suitable housing to support, schools and other key Council services</p>	<ul style="list-style-type: none"> - Additional upward pressure on Housing, sourcing suitable Housing - Risk of inflated housing prices linked to increased demand for housing in Leicester - Additional pressure on school places - Risks to community stability & cohesion - The utilisation of specific areas/Wards in the City (linked to the availability and price of suitable housing) creating localised pressure on services, anti social behaviour and issues 	<ul style="list-style-type: none"> - A Strategic Asylum, Migration and immigration group has been established by the City Council and includes key partners to strategically oversee this area - Cllr Russell already attends and represents the Council on the Regional Asylum meeting - A number of more localised partner and agency meetings have also been set up on conjunction with localised events such as the standing up of hotels for Afgans, those in overflow asylum hotels to manage and oversee this issue - A dedicated Head of Service lead has been appointed in Housing to coordinate the Councils response and action on AMI - The STAR AMAL team have been formally engaged to provide wrap around support to those in the Afgan hotel and facilitate the offer of the 10 families settling in the City - A group has been set up by Cllr Russell and Cllr Myers with VCRS partners to work with them in conjunction to this matter - The City Mayor has met with key Afgan links in the City 	3	3	9	Treat	<ul style="list-style-type: none"> - Active engagement with the Home office & MHCLG in relation to these matters - Continue to respond & challenge proposed new NASS accommodation submissions - Minimise LCC use of saturated/high concentration areas - PRS Strategy agreement and implementation - PRS Licencing agreement, consultation and implementation - Article 4 development through Local Plan - Delivery of the Political commitment on 10 Afgan families (60 people) to settle in Leicester with the STAR AMAL team facilitating and setting up appropriate support 	3	2	6		<p>Chris Burgin / John Leach</p>	Ongoing 31/01/22

Appendix 3

LCC Operational Risk Exposure Summary as of 30th September 2021

STRATEGIC AREA – CITY DEVELOPMENTS AND NEIGHBOURHOODS

Risk Ref (as per ORR)	Risk	Risk Owner	Impact	Likelihood	Risk Score with existing Risk Score	Impact	Likelihood	Target Risk Score	Target Date
9.	Planning, Development and Transport – Failure to award Street Lighting and Festive Decorations contract, due to Covid-19 pressure on market suppliers and significant increases in schedule rates	ALS	5	5	25	2	3	6	31/01/22 ongoing
7 1	Estates and Building Services - The existing PAN1266 contract has expired on 31/8/2021. The new PAN 1700 contract is not in place yet and therefore we are not in contract with anyone for reactive repairs and maintenance.	MW	5	4	20	4	2	8	31/01/22 ongoing
6.	Neighbourhood and Environmental Services – Ash Dieback – Epidemic of Ash Trees	JL	4	4	16	4	4	16	31/01/22 ongoing
2.	Estates and Building Services – Sustainability – Energy inefficient property assets adversely affecting LCC carbon reduction targets	MW	4	4	16	3	4	12	31/01/22 ongoing
3	Estates and Building Services – Sustainability – Climate change / Net zero failure to deliver on ambition of Net Zero targets due to insufficient council investment funding and inability to attract external funding	MW	4	4	16	3	4	12	31/01/22 ongoing
4.	Estates and Building Services – Sustainability – Lack of understanding or appropriate knowledge including climate change impact and expectations and perceptions of stakeholders	MW	4	4	16	3	4	12	31/01/22 ongoing

5.	Estates and Building Services – People – New ways of working – potential impact of staff working from home increasing LCC carbon footprint (Scope 1 emissions)	MW	4	4	16	3	4	12	31/01/22 ongoing
10.	Planning, Development and Transport – Highways and Transport Services – Covid-19 Impacts	ALS	4	4	16	3	4	12	31/01/22 ongoing
7.	Neighbourhood and Environmental Services – Lack of adequate resource capacity	JL	4	4	16	3	3	9	31/01/22 ongoing
11.	Tourism, Culture & Investment – Covid-19 restrictions impact on viability of businesses in the short, medium and long term.	MD	4	4	16	3	3	9	31/01/22 ongoing
8.	Neighbourhood and Environmental Services – Beaumont Park Depot – Condition of depot creating risks to service delivery, individuals working on site and visitors	JL / MW	5	3	15	5	3	15	31/01/22 ongoing
12.	Tourism, Culture & Investment – De Montfort Hall – COVID19 UPDATE – Unable to trade due to government lockdown.	MD	3	5	15	2	5	10	31/01/22 ongoing

STRATEGIC AREA – CORPORATE RESOURCES AND SUPPORT

13.	Delivery, Communications and Political Governance – Cyber Security - Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.	MC	4	5	20	4	5	20	31/01/22 ongoing
15.	Finance - Financial challenges - The Council fails to respond adequately to the future funding outlook. Council is placed in severe financial crisis. Reputational damage to the Council and substantial crisis job losses.	AG	5	4	20	5	3	15	31/01/22 ongoing
14.	Delivery, Communications and Political Governance – Ongoing Global Supply Chain Issue – Global shortage of semiconductor components impacting technology supply chain	MC	4	4	16	3	4	12	31/01/22 ongoing

16.	Legal – Workloads and Pressure – Client Care. Services within the Council are stretched with increased demands and pressures.	KA	4	4	16	4	3	12	31/01/22 ongoing
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STRATEGIC AREA – SOCIAL CARE AND EDUCATION

17.	Children's Social Care and Early Help - Budget Loss and / or reduction of services to achieve budget savings	CT	5	3	15	5	3	15	31/01/22 ongoing
18.	Commissioning and Performance - Insufficient Places for infants. There are insufficient places for 2, 3, and 4-year olds to meet demand as nurseries are no longer financially viable following Covid19 lockdown and reduced capacity.	SW	3	5	15	3	3	9	31/01/22 ongoing

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STRATEGIC AREA – PUBLIC HEALTH

19.	Budget Restrictions - Ongoing austerity for Public Sector requires changes to service delivery to comply with available budget, continued reductions could force termination of services to ensure priority services remain available	IB	4	5	15	3	5	15	31/01/22 ongoing
20.	External Influences - External national imperatives without associated budget introduced which will impact on local delivery	IB	4	4	16	3	4	12	31/01/22 ongoing
21.	Commissioning - Reduced budget for services impacts on financial viability to potential 3rd party contractors who may deem package to be unsustainable.	IB	4	4	16	4	3	12	31/01/22 ongoing
22.	Staffing and recruitment - Difficulty in securing sufficient staff with the appropriate skills and experience to meet the immediate Public Health challenges posed by Covid 19	IB	4	4	16	4	3	12	31/01/22 ongoing

	response and recovery. Recruitment freeze creates difficulties in recruiting Health Protection team to meet service objectives, and potential loss of in-year funding available.								
23.	Covid-19 Easing of lockdown leads to increased infection rates and further local lockdowns or preventative measures needing to be enacted. If Covid activities persist without associated funding from Treasury to support this will create significant budget pressures.	IB	4	4	16	3	3	9	31/01/22 ongoing

Key:

IMPACT (I)	SCORE	LIKELIHOOD (L)	SCORE
CRITICAL/ CATASTROPHIC	5	ALMOST CERTAIN	5
MAJOR	4	PROBABLE / LIKELY	4
MODERATE	3	POSSIBLE	3
MINOR	2	UNLIKELY	2
INSIGNIFICANT/ NEGLIGIBLE	1	VERY UNLIKELY / RARE	1

Risk scores:

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

Risk Owners:

AG - Alison Greenhill
ALS - Andrew L Smith
CT - Caroline Tote
IB - Ivan Browne
JL - John Leach

KA - Kamal Adatia
MC - Miranda Cannon
MD - Mike Dalzell
MW - Matt Wallace
SW - Sue Welford

Appendix 4 - Leicester City Council																	
Risk Register Owner: Alison Greenhill, COO						Risks as at: 30/09/2021											
RISK	CONSEQUENCE/EFFECT:	EXISTING ACTIONS/CONTROLS	RISK SCORE			RESPONSE STRATEGY / ACTION	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE				
<i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	<i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	<i>What are you doing to manage this risk now?</i>				<i>Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate</i>											
			Impact	Probability	Risk			Impact	Probability	Risk							
STRATEGIC AREA - City Development and Neighbourhoods																	
1. Estates and Buildings Services - The existing PAN1266 contract has expired on 31/8/2021. The new PAN 1700 contract is not in place yet and therefore we are not in contract with anyone for reactive repairs and maintenance.	- Possibility of contractors refusing works as we are not in contract and also they do not have to honour the prices within the expired contract and could charge whatever they feel suitable with the ever increasing material prices.	- The contract team have applied for an extension of our existing contracts with our incumbent suppliers to mitigate this risk. LOTS 1a, 1b and Lot 4 have already been awarded, therefore no risk.	5	4	20	Treat	- Confirmation of clarification of post moderation in hand and ongoing for 'lots' not awarded. - Lot 7 to be removed from the PAN1700 as no complaint bids received.	4	2	8			Matt Wallace	31.01.2022 Ongoing			
2. Estates and Buildings Services - Sustainability - Energy inefficient property assets adversely affecting LCC carbon reduction targets.	- Net zero carbon ambition not met. Global heating not contained within scientific targets. Reputational damage.	- Inclusion of Sustainability Impact Assessment on each project. Work with sustainability colleagues to ensure consideration. - CLL expenditure is directed towards environmental improvements. - Salix funding gained to improve efficiency of portfolio and capital programme in place.	4	4	16	Treat	- Salix programme of £25m being invested in 55 schools 5 leisure centres and 32 other sites to decarbonise them. - Officer appointed to deliver programme for decarbonisation of operational estate (buildings and operations) - Programme of energy surveys being commissioned.	3	4	12			Matt Wallace	31.01.2022 Ongoing			
3. Estates and Buildings Services - Sustainability - Climate change/Net Zero failure to deliver on ambition of Net Zero targets due to insufficient council investment funding and inability to attract external funding.	- Reputational damage and loss of confidence in organisation by local and national stakeholders.	- Governance arrangements in place via the Climate Emergency Action Plan, which has gained sponsorship by the COO. - Corporate climate Board meeting quarterly. - Commissioning Roadmaps to give level of investment and timescales.	4	4	16	Treat	- Funding tracker developed to manage monitoring of available funding schemes with resources in place to write and submit bids.	3	4	12			Matt Wallace	31.01.2022 Ongoing			
4. Estates and Buildings Services - Sustainability - Lack of understanding or appropriate knowledge including climate change impact and the expectations and perceptions of stakeholders	- Overall Climate Emergency targets not met.	- Continued quality dialogue with stakeholders to manage those expectations focussing on documented impacts of climate change.	4	4	16	Treat	- Clear communications on methods of calculating benefits of carbon reduction for accurate comparison. - Climate Emergency partnership proposals under development and workshop held with key city stakeholders.	3	4	12			Matt Wallace	31.01.2022 Ongoing			
5. Estates and Buildings Services - People: New ways of working - potential impact of staff working from home increasing LCC carbon footprint (Scope 1 emissions).	- Net zero carbon ambition not met. Global heating not contained within scientific targets. Reputational damage	- Under development	4	4	16	Treat	- Under development	3	4	12			Matt Wallace	31.01.2022 Ongoing			
6. Neighbourhood and Environmental Services Ash Dieback - Epidemic of Ash Trees Caused by an introduced pathogen that most local ash trees are unlikely to have resistance to. It is anticipated that up to 95% of the tens of thousands of ash trees in the city will die. Perhaps 50% of the total will be the council's direct liability. Many trees are located on traffic routes or in areas of use and habitation. Dying and collapsing trees will present an injury and property damage risk, and present a hazard risk to staff during removal operations. Under normal conditions £135k per year is devoted to clearing similar problems across all species. It is anticipated this cost will multiply several times at the height of the epidemic.	- Injury to staff and residents, including highway users - Damage to property including animal injury, buildings, parked and moving vehicles, various infrastructure and parks and street furniture - Disruption to traffic routes and areas of high use during removal operations	Established teams, structures and systems will address problems in the early stages. These can be built on further as the problem starts to strain existing resources. There is no way to limit or control the establishment and spread of the pathogen as it is a windborne micro-organism. In essence management is a reactive process. Contingency sum of £100k included in Capital programme.	4	4	16	Treat	- Effective and timely reactive responses. - Future development of an Ash Die Back Action Plan, once level of spread of disease more known. And further Capital bid to be developed for 2023/24.	4	4	16	£100k contingency	John Leach	31.01.2022 Ongoing				

Appendix 4 - Leicester City Council															
Risk Register Owner: Alison Greenhill, COO					Risks as at: 30/09/2021										
RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE			RESPONSE STRATEGY / ACTION <i>Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate</i>	FURTHER MANAGEMENT ACTIONS/CONTROLS			TARGET SCORE			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk					Impact	Probability	Risk			
7. Neighbourhood and Environmental Services - Lack of Adequate Resource Capacity Increase in the demand led services, along with the reduction in head count could mean that there are insufficient resources to deliver the required service levels. During times of change, staff are not always aware of the changes being made, resulting in confusion etc.	<ul style="list-style-type: none"> - Teams already at a minimum and extra workloads are unsustainable. - As demand-led services increase, workload and public expectations increase. - Likelihood of key person dependency as teams reduce further (fewer people in key roles). - Potential risk of non-compliance or breaches/lack of a substantial control environment. - Service delivery requirements not met. - Staff wellbeing may be harmed. - Reputational damage may result from unplanned building closures due to staff shortages. 	<ul style="list-style-type: none"> - Existing prioritisation arrangements are in place. - Policies and procedures are in place. - Processes are in place. - Regular briefings and PDRs - Organisational review consultation process. - Managing expectations with senior officers / stakeholders - Accessing external grants -- Creation of temporary project roles 	4	4	16	Treat	<ul style="list-style-type: none"> - Building adequate criteria and expectations into Service Reviews. - Creating temporary project roles where relevant. - Income generation to fund service specific posts / resources. - Better use of existing internal & external resources (partnerships) - understanding impact of Covid and the increased demand on during recovery. - Waste Management structure is under review. - Create staff development opportunities linked to progression (NS). 	3	3	9				John Leach	31.01.2022 Ongoing

Appendix 4 - Leicester City Council

Risk Register Owner: Alison Greenhill, COO

Risks as at: 30/09/2021

RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE			RESPONSE STRATEGY / ACTION <i>Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate</i>	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE
			Impact	Probability	Risk			Impact	Probability	Risk			
<p>8. Neighbourhood and Environmental Services - Beaumont Park Depot Condition of depot creating risks to service delivery, individuals working on site and visitors, situation identified in H&S report in 2011. Previously requested in 2014 to be accommodated in Capital Programme. Strategic Director with Head of Finance moved to be dealt with as part of Depot Review passed for action to Director of EBS following site visit in Nov 2017. Options drawn up Feb 2018 but later abandoned. NES awaiting confirmed direction re resolution.</p>	<ul style="list-style-type: none"> - Serious accident injury and or death to staff/member of public. - Reputational damage to LCC. - Insurance claims against the Council. - Legal challenge. - Media exposure. - Adverse effect on budget/finances. - Closure of premises, loss of service. - Breaches in legislation and/or non-compliance. - Demand led services may not be met. - Significant delay to decide and implement a solution could weigh heavily in any proceedings that would follow a serious incident. 	<ul style="list-style-type: none"> - On going review of depot in-house Business Change Manager facilitating with E&B. Undertaking options appraisal with input from Legal, Planning and Highways. - Building conditional surveys reviewed under the TNS Programme. - Agreed to manage outside of Depot review with separate budget allocation. - NES/P& O have ensured operational mitigating action in place. I13Dedicated Banksman employed to manage traffic movement on site. - All staff trained in banksman duty of care. - H&S team undertaken review C13of short term safety measures for pedestrians and vehicles on site. - £125k approved from Loss Reduction Risk fund to install one way system, plus £10k EBS. (NEW ADDITION). Meeting held with EBS 11th April - Trees and Woodland Team and Landscapes Team ensuring all appropriate alternative storage options are utilised. EBS committed to confirmation/delivery of scheme within budget and to providing implementation timescale asap. Andy Keeling supported NES urgent request for appropriate action.G16 	5	3	15	Treat	<ul style="list-style-type: none"> - New site - Suitable adaptation of existing to accommodate operational practices and introduction of one way traffic system. - Capital project established and full Planning Application submitted 9 October 2019 with provisional start date 4 February 2020. - Planning approval decision received 02 April 2020 which delayed programmed start date. Vegetation clearance completed pre bird nesting, works to fully commence post Covid 19 to be completed this financial year. - New drainage scheme designed in line with Planning requirements, plans approved by Severn Trent to discharge into the surface water sewer. - Methane survey commissioned. Planning Permission approved. - Project put on hold pending review of alternative use of space. - Agreement to relocate items of stock and specialist equipment along with the bio-fuel stock pile to+J13 the IMC, pending project implementation of the Depot Transformation Board and the development to 90 LR. - This is now on hold pending decision on Levelling Up Fund for IMC, - Looking at opportunities to utilise Mowmacre Sports. - Long term part of Depot Review to close depot and transfer functions to 90 LR. 	5	3	15	£135k	John Leach/Matthew Wallace	31.01.2022 Ongoing
<p>9. Planning, Development and Transport - Failure to award Street Lighting and Festive Decorations contract, due to Covid-19 pressures on market suppliers and significant increases in schedule rates.</p>	<ul style="list-style-type: none"> - Failure to award the contract would mean that we were not able to carry out our statutory duty of maintain the street lighting asset in a safe state. - The installation and erection of festive decorations would also be compromised. 	<ul style="list-style-type: none"> - Tender returns financially non-viable with serious impact on revenue maintenance budget 	5	5	25	Treat	<ul style="list-style-type: none"> - Tender returns proved financial non-viable. - Business case established to bring service in-house. - Decision to be confirmed, nut preparations underway. - Expected to realise operational efficiencies long term and savings. 	2	3	6		Andrew L Smith	31.01.2022 Ongoing

Appendix 4 - Leicester City Council															
Risk Register Owner: Alison Greenhill, COO						Risks as at: 30/09/2021									
RISK <i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	CONSEQUENCE/EFFECT: <i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	EXISTING ACTIONS/CONTROLS <i>What are you doing to manage this risk now?</i>	RISK SCORE			RESPONSE STRATEGY / ACTION <i>Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate</i>	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE		
			Impact	Probability	Risk			Impact	Probability	Risk					
10. Planning, Development and Transport - Highways & Transport Services Covid19 Impacts	- Service suspensions, unforeseen expenditure, reduced income, fee recovery, staff safety, public safety, programme delivery, availability of resources.	- Business continuity plans	4	4	16	Tolerate/Treat	- RAMS undertaken for activities. Financial impacts assessed and mitigation measures in place with finance. - Ongoing monitoring in place. Works have been reprogrammed and resourcing implications assessed.	3	4	12		Andrew L Smith	31.01.2022 Ongoing		
11. Tourism, Culture & Investment - COVID-19 restrictions impact on viability of businesses in the short, medium and long term.	- Vacancy rate increases and appeal of city centre is reduced. Lack of visitor confidence leads to low footfall. - Business failure	- Support provided to LCC to get Govt business grant funding claims paid to eligible businesses who either receive SBRR or are in the retail, leisure and hospitality sectors. - City Centre Director is a member of the LLEP Business Growth economic cell. - City centre recovery partnership established with BID Leicester. - LCC leading on economic recovery plans for Leicester. - ERDF Opening High Street grant funding supporting all sectors in city centre and neighbourhoods	4	4	16	Treat	- Reopening Leicester multi-agency group chaired by LCC in place with NTE and Comms cells. - Place marketing plan with additional funding being presented to CM and Exec for approval to promote the place, tourism and inward investment when the time is right in the Covid climate to do so. - Additional lockdown grant and discretionary grants paid out mid Sept to help businesses, especially those who have received previous grant help. - LLEP recovery strategy drafted. - LCC recovery plan written	3	3	9	BID funding and reviewing support from LCC funds and LLEP Growth Fund	Mike Dalzell	31.01.2022 Ongoing		
12. Tourism, Culture and Investment - De Montfort Hall: Covid-19 UPDATE: Unable to trade due to go lock down. Inability to maintain income to achieve planned financial outturn due to lack of audience, unavailability of shows, unpopular shows, market conditions.	- Income targets not achieved with consequential overspend against revenue budget or unrealistic reduction in revenue budget. - Income targets not achieved. Additional cost of operation to LCC. - Loss of cultural activity for city residents.	- Maintain range of programming and income to achieve financial and KPI targets.	3	5	15	Treat	- Reassure ref Covid measures in place. - Retain or improve marketing spend where possible.	2	5	10		Mike Dalzell	31.01.2022 Ongoing		
STRATEGIC AREA - Corporate Resources & Support															
13. Delivery, Communications and Political Governance - Cyber Security Increasing profile and expertise to circumvent established defences increase vulnerability of LCC data.	- Data hacked and released into public domain - Reputational damage - seek alternative more expensive solutions - Fines from ICO - Staff stress increases - Damage to identified individuals - Denial of service	- Technology defences; - Awareness campaign; - Targeted follow up's; - Built into new system standards from 3rd party applications (secure passwords, TLS); - Daily back-up of systems - Maintain clear Major incident Management processes - Understand RPO and RTO capability for recovering critical systems - Appointed Security Operations Centre Lead to review and respond to threat intelligence - Achieved Cyber Essentials and cyber essentials plus accreditation - Undertaking Cyber Security Gap Analysis in light of increased flexible and mobile working	4	5	20	Treat	- Implement new Technology solutions to address increasing threat during crisis e.g. COVID-19 - Enhance Cloud Security - Continued Staff awareness training etc.. - Maintain Cyber Essentials Compliance - Review end point security tools - Respond to the new threat from Ransomware which attacks and compromises backup data	4	5	20		Miranda Canon	31.01.2022 Ongoing		

Appendix 4 - Leicester City Council															
Risk Register Owner: Alison Greenhill, COO															
RISK	CONSEQUENCE/EFFECT:	EXISTING ACTIONS/CONTROLS	RISK SCORE			RESPONSE STRATEGY / ACTION	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE		
<i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	<i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	<i>What are you doing to manage this risk now?</i>				<i>Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate</i>									
			Impact	Probability	Risk				Impact	Probability	Risk				
14. Delivery, Communications and Political Governance On-Going Global supply Chain issues Global shortage of semiconductor components impacting technology supply chain.	- Unable to support New Ways of Working - Unable to provide devices in response to breakages and new demand	- Constrain supply by utilising desktops and office space - Look for low-spec, refurbished devices to use with VDI - Utilisation of manufacturer of remanufactured devices and initial orders of laptops already received	4	4	16	Treat	- Consider cloud options	3	4	12		Miranda Cannon	31.01.2022 Ongoing		
15. Finance - Financial Challenges The Council fails to respond adequately to the future funding outlook. Council is placed in severe financial crisis. Reputational damage to the Council and substantial crisis job losses. If the process is not properly managed, the Council will have little money for anything but statutory 'demand led services'. Covid has compounded the problem.	- Crisis cuts, made in a hurry. Lasting impact on services.	- Budget balanced in 21/22. This was a stop gap budget using reserves. Process now in train for longer term review.	5	4	20	Treat	- Substantial budget review started	5	3	15		Alison Greenhill	31.01.2022 Ongoing		
16. Legal - Workloads & Pressure - Client Care Services within the Council are stretched with increased demands and pressures. Unrealistic deadlines at times can be set for major projects, procurement and contracts. There is a concern that whilst corporate policy is correct and general awareness of correct procedures/rules exists, it may not be implemented effectively within services.	- Timely legal advice from clients not sought. - Failure to comply with laid down guidelines. - Breach of regulations or law e.g. data protection. - Council found to act unlawfully. - Challenges to procurement processes. - Cost implications from requirements not being followed/deadlines being missed/ not delivering value for money for Council. - Award made against council etc. - Staff demotivated - Negative Press/Reputation of Council	- Reviewing practices to be improve flexibility of approach. - Channel Shift. - Raising awareness - corporate messages. - Early engagement - feeding into deadlines. - Attending project boards. - Projects to look at new ways of working. - Improved use of technology e.g. Electronic Signatures/Virtual Hearings.	4	4	16	Treat	- Review of practices. - Increase comms program/training and awareness of current practices (deadlines with project plan).	4	3	12		Kamal Adatia	31.01.2022 Ongoing		
STRATEGIC AREA - Social Care and Education															
17. Children's Social Care and Early Help - Budget Loss and / or reduction of services to achieve budget savings	- Reduction in preventative services impacting on ability to deliver Statutory services - Inability to deliver Placement Sufficiency - Decrease Capacity / Increase demand - Potential reduction of staffing levels - Limited ability to deliver some front line services - Potential for future claims against authority	- Strategic Oversight and clear governance arrangements in place; - SCE LTM oversees all budget reduction projects.	5	3	15	Treat	- Star Chamber oversight regarding saving reductions and undeliverable savings.	5	3	15		Caroline Tote	31.01.2022 Ongoing		

Appendix 4 - Leicester City Council																	
Risk Register Owner: Alison Greenhill, COO						Risks as at: 30/09/2021											
RISK	CONSEQUENCE/EFFECT:	EXISTING ACTIONS/CONTROLS	RISK SCORE			RESPONSE STRATEGY / ACTION	FURTHER MANAGEMENT ACTIONS/CONTROLS			TARGET SCORE			COST	RISK OWNER	TARGET DATE		
<i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	<i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	<i>What are you doing to manage this risk now?</i>				<i>Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate</i>											
			Impact	Probability	Risk		Impact	Probability	Risk								
18. Commissioning and Performance - Insufficient Places for Infants There are insufficient places for 2, 3, and 4 year olds to meet demand as nurseries are no longer financially viable following Covid19 lockdown and reduced capacity. Risk is heightened due to local lockdown and providers not being able to offer a full range of holiday provision.	<ul style="list-style-type: none"> - Parents are unable to find appropriate places for their under-5s and cannot return to work. - Childcare sufficiency is a statutory duty and could lead to poor judgements being made on the council 	<ul style="list-style-type: none"> - Continual review of the situation both prior and during the pandemic. - Officers have undertaken an audit to determine the likelihood of settings remaining closed or under financial risk. - Identifying which settings are at highest risk and appropriate criteria for additional funding. 	3	5	15	Treat	<ul style="list-style-type: none"> - Provide business support to providers and encourage remodelling of services in order to respond to changes in demand brought about by Covid recovery. - Undertake strategic work across services and partners to promote the take up of funded early education entitlements. 	3	3	9				Sue Welford	31.01.2022 Ongoing		
STRATEGIC AREA - Public Health																	
19. Budget Restrictions Ongoing austerity for Public Sector requires changes to service delivery to comply with available budget, continued reductions could force termination of services to ensure priority services remain available. This may be exacerbated by the pandemic in the medium term when secondary impacts emerge. Increasing financial pressures across the authority contribute to the likelihood that increased level of reserves and funding are taken away from PH budget to support general council budget pressures following COVID 19 Uncertainty over non-recurrent or unconfirmed recurrent funding leads to reduced delivery and higher probability of project failure. Long term sustainability of initiatives is brought into question meaning economies of scale or efficiencies derived from long term planning cannot be capitalised on Increased demand for public health services in response to COVID 19 (possibly sustained by emerging variants of concern), coupled with potential increases in non-Covid related health areas resulting from the pandemic create resource / capacity strain. Capital Costs increase beyond the approved budget coupled with reduction in income due to phased re-opening of leisure centres creates service budget problems for Sports Services.	<ul style="list-style-type: none"> - Change in service provision - Lack of services / resources to meet COVID 19 response and recovery programme - Lack of resources to deal with emerging Public health emergencies - Decreased / ceased service / user contact and / or service effectiveness - Reputational damage - Increased demand on other public services (primary / secondary health care / Social Care / Leisure Centres) leading to knock on stress to other council services and budgets; - Risk of missing safeguarding issues impacting on council statutory duties; - Judicial review & Central government intervention - Unable to deliver leisure centre capital programme due to unaffordability, continued decline in condition of leisure centres results in negative impact on customers and income - Inability to recover income and membership levels due to significant level of customers transferring to local competition. 	<ul style="list-style-type: none"> - PH Return to Central Government (Return On Investment (ROI)); - Staffing restructure and continual review of needs ongoing - Employing new commissioning, monitoring, and delivery model for key services to streamline and identify adverse effects - Invest to save opportunities explored - Bids for funding being written and submitted across the team as opportunities arise. - Internal briefings / decision making process / political oversight / scrutiny - COMF funding supporting budget impact of Track and Trace team - Identifying and articulating associated risks through spending review process, - Clinical Governance Process in place - Maintenance Plans with EBS - Corporate funding bids for Leisure Centre Capital Programme ongoing - Customer retention plans and actions put in place to reduce subscription cancellations from customers unable to use leisure centre services which would impact income generation - Strong service / programme planning to cover possible funding scenarios, allowing for adaptations to be made at pace. 	4	5	20	Treat / Tolerate	<ul style="list-style-type: none"> - Continue with existing controls; - Secure additional revenue e.g. income generation through commercial opportunities - Continue to explore a variety of potential local and national funding opportunities including commercial, government, academic, grant funding, - Utilise in kind support/asset sharing where possible - Cross organisational opportunity review of priorities and resources - Continue ROI Business Cases to fund capital improvement/improve income and customer experience - Explore use of LCC volunteer pool to engage in PH initiatives - Business case to outline justification and need for ringfencing PH reserves to mitigate / respond to any further PH emergencies, and to deal with longer term impacts of Covid 19 as they arise. - Investigate building an external funding strategy / toolkit in order to aid and encourage bid creation and consistency - Easing of restrictions will allow all leisure centres to open fully from 18th October 2021. 	3	5	15				Ivan Browne	31.01.2022 Ongoing		
20. External Influences External national imperatives without associated budget introduced which will impact on local delivery Brexit / Covid related pressures increases prices or reduces availability of IT stock / services / logistics / medicines within the supply chain which translate to increased delivery / contract for services or programmes or logistical difficulties to delivery.	<ul style="list-style-type: none"> - Call on finances from NHS pay award - Changes in financial call due to changes in clinical requirements/fluctuations in drug/treatment market prices - Prioritisation / decommissioning / reduction of existing service delivery model - Call on PH reserves - Staff are unable to be supplied with appropriate IT equipment leading to reduced efficacy and wasted capacity 	<ul style="list-style-type: none"> - Internal governance, decision making processes, and budgetary oversight leveraging expertise within team to assess choices and inform management briefings / options appraisal; - Advocacy by the Director of Public Health (DPH) with national bodies; - Strong engagement with national partners to aid horizon scanning and early signposting of potential issues - Good relationships with peers in other organisations are maintained as a matter of course to aid communication and working efficiencies 	4	4	16	Treat	<ul style="list-style-type: none"> - Political escalation; - Corporate responsibility; - Service & budget planning - Continue to utilise partnership approach - Explore alternative treatment/therapy options - Safeguard PH reserves in order to preserve ability to provide adequate response without significant detriment to corporate purse - Continued monitoring of medical landscape, and updates to guidance and clinical standards 	3	4	12				Ivan Browne	31.01.2022 Ongoing		

Appendix 4 - Leicester City Council																	
Risk Register Owner: Alison Greenhill, COO				Risks as at: 30/09/2021													
RISK	CONSEQUENCE/EFFECT:	EXISTING ACTIONS/CONTROLS	RISK SCORE			RESPONSE STRATEGY / ACTION	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE				
<i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	<i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	<i>What are you doing to manage this risk now?</i>				<i>Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate</i>											
			Impact	Probability	Risk			Impact	Probability	Risk							
<p>21. Commissioning Reduced budget for services impacts on financial viability to suppliers who may deem package to be unsustainable. Providers could become unsustainable following Covid 19 without an uplift or adjustment to the funding received from PH. Future re-commissioning efforts may be hampered by reduced budgets making the tender unattractive to potential suppliers.</p> <p>Re-tenders are at risk of complication or failure from tight budgets and external factors such as redundancy or TUPE costs making the services unviable at current budget levels.</p> <p>Services commissioned on activity based contracts are difficult to predict in times of uncertainty and risk under / over provision each of which come with financial and logistical challenges and risks.</p> <p>Partner organisations are restructured or undergo a change in policy. This may result in changes which negatively impact our work / agreements or ability of supplier to deliver services i.e. Co-ops decide to withdraw from joint commissioning agreements or returning to an activity based payment system before the supplier / contractor is healthy enough to support it</p>	<ul style="list-style-type: none"> - The re-commissioning of services is negatively impacted making retendering both more expensive and more complex with a larger chance of failure - Loss of existing contractors unable to fulfil contracts within reducing financial envelope; - Providers close down due to lack of funding required to keep services open - Our offer may not be attractive to new providers during tenders; risk of failed procurement or lack of competition leading to sub-standard delivery - Loss of service provision and impact on community who require service; - Impact on NHS as demand increases for other services; - Decreased morale and reputational damage to LCC - Funding gap leads to programmes needing to be terminated - Underspend result from reduced activity that do not reflect underlying / actual budget pressures that will resume when pre-existing baseline is re-established. Budget is reduced or removed based on lower activity costs creating business critical issues when this occurs. 	<ul style="list-style-type: none"> - Bespoke procurement methods and robust internal governance - Timely briefing of lead members to highlight potential risks and consequences - Expertise within team to assess choices and inform management briefings / options appraisal - Advocacy by Director Public Health (DPH) with national bodies - Provider negotiations - providers have continued to be paid regardless of performance due to the pandemic to ensure the suppliers (and the wider delivery chain) stay afloat and will remain to deliver services when normal life resumes - Close working with internal departments (legal / procurement / contract management / finance) - Services jointly commissioned where possible / appropriate to increase efficiencies relating to economies of scale and cross border activity as well as available resource to mitigate issues - Relationships built and maintained with partnership organisations to retain collegiate working environment and aid flow of information. PH Consultant employed to stimulate engagement throughout and across the system. - Supplier BCP review ongoing to determine level of supplier resilience 	4	4	16	Treat/Transfer	<ul style="list-style-type: none"> - Continue with existing controls; - Continue to joint commission where appropriate (internal with LCC, and external with county and regionally) - Close monitoring of emerging risk from County moving towards an independent / inhouse delivery model or returning to activity based payments to shared suppliers - Continued exploration of new and novel approaches to commissioning including encouraging consortium applications and use of section 75 - Continued monitoring and increased engagement of suppliers to pre-emptively identify potential issues - Renew Business Continuity Plans to ensure minimal service disruption in the event of supplier failure. 	4	3	12		Ivan Browne	31.01.2022 Ongoing				
<p>22. Staffing and recruitment Difficulty in securing-sufficient staff with the appropriate skills and experience to meet the immediate Public Health challenges posed by Covid 19 response and recovery. Recruitment freeze creates difficulties in recruiting Health Protection team to meet service objectives, and potential loss of in-year funding available. Public Health have been simultaneously operating a Covid response and BAU functions for 18 months, and will need to continue to do so for an indeterminate time. Risk is this sustained increased resource / capacity pressure leads to:</p> <ul style="list-style-type: none"> - the health and wellbeing of existing staff being impacted resulting in individual burnout or increased staff turnover. - negative impacts on delivery of work / strategic objectives <p>A national skill shortage in conjunction with Leicester being a challenging area in comparison to neighbouring areas creates difficulties in securing Health Visitors.</p> <p>Key staff leaving division creates deficit of skills, knowledge, key relationships and capacity, lack of resources for training, reduction in external training opportunities, particularly as more areas seek to expand their public health capacity during Covid 19. Recruitment freeze, or limits to allowed recruitment, coupled with increased traffic from pent up demand cause understaffing issues across the Sports Services offer when sites are reopened.</p>	<ul style="list-style-type: none"> - Increased demand on remaining capacity; - Loss of key specialist skills, knowledge and expertise, and working relationships that are very difficult to replace due to national shortage of skilled workers - Impact on front line service delivery or PH and SS functions - Health Protection team unable to be created leading to reduced outcomes in outbreak management and Covid 19 response - Service objectives not achieved - Staff do not gain a breadth of PH experience - Delay in advertising/filling vacant posts exacerbating capacity issues - Gap in leadership/delivery of PH functions - Impact on team morale - Lack of staff leads to inability to open / restricted opening of leisure centres, loss of income, and reputational damage - The ability of our commissioned Children's services to provide adequate safeguarding is reduced, leading to an increased risk of support needs not being identified or met. - Increased strain on existing Health Visitors leading to increased staff turnover and fatigue impacting quality of work. Serious incidents could be missed leading to personal harm to children and severe reputational damage to LCC. 	<ul style="list-style-type: none"> - Close management and oversight of individual workloads - General training opportunities and organisational development utilised - A training group has been formed to explore creation of a training framework for the team - Upskilling team - PH supporting 3x staff to undertake a Masters in Public Health - Specific courses identified and allocated to appropriate staff - Early identification of potential staffing needs / vacancies with early engagement with HR to ensure timeframes to recruit are sensible - SS Transformation Board in place and OR Plan - Capacity in Consultant team, Data, and Admin function increased - Resource identified from around LCC to support Covid-19 response, and associated training and support given - Increased team awareness at all levels of importance of self care, with support offered necessary. Ongoing team building events / exercises in place to aid wellbeing. - Recruitment concerns escalated - Commissioned children's service has introduced a skill mix framework to alleviate Health Visitor pressures whilst maintaining adequate safeguarding. - Ongoing work to make Leicester a more attractive location for Health Visitors to attract and retain skilled workers. 	4	4	16	Treat	<ul style="list-style-type: none"> - Undertake a skills audit and perform gap analysis against Public Health KSF to identify and fill key knowledge and skills gap across division - Produce a public health workforce strategy, including succession planning. Task and Finish group being set up to work on this. - Update BCP to ensure succession planning and key staff availability plan is adequate - Inclusion on forward plans for posts and building in long time scales to be considered in upcoming business plan review. - Continued monitoring of capacity needs and fixed term recruitments to mitigate issues where appropriate - Continued focus on employee wellbeing and provision of adequate support where necessary - Ongoing close monitoring of suppliers and skill / workforce concerns 	4	3	12		Ivan Browne	31.01.2022 Ongoing				

Appendix 4 - Leicester City Council																
Risk Register Owner: Alison Greenhill, COO					Risks as at: 30/09/2021											
RISK	CONSEQUENCE/EFFECT:	EXISTING ACTIONS/CONTROLS	RISK SCORE			RESPONSE STRATEGY / ACTION	FURTHER MANAGEMENT ACTIONS/CONTROLS	TARGET SCORE			COST	RISK OWNER	TARGET DATE			
<i>What is the problem; what is the cause; what could go wrong? What is it that will prevent you from achieving your objectives?</i>	<i>What would occur as a result, how much of a problem would it be, to whom and why?</i>	<i>What are you doing to manage this risk now?</i>				<i>Select from the 4T's (see Process worksheet for definitions and further guidance): Tolerate, Treat, Transfer, Terminate</i>										
			Impact	Probability	Risk			Impact	Probability	Risk						
<p>23. Covid-19</p> <p>Easing of lockdown leads to increased infection rates and further local lockdowns or preventative measures needing to be enacted. If Covid activities persist without associated funding from Treasury to support this will create significant budget pressures. Recovery efforts are slower paced than desired leading to delivery and safeguarding issues. Variant strains emerge increasing infection / mortality rates hindering recovery efforts and require further local lockdowns or preventative measures, or a continuance of existing efforts that were projected to be tapered off. Moving in to the winter months may create further strain on healthcare systems overall.</p> <p>A secondary impact of the pandemic may be other health aspects experiencing significant increases in occurrence i.e. mental health, substance misuse, obesity, oral health that require increased resource to tackle.</p> <p>Low take up of offered services during the pandemic impacts health outcomes, widens inequalities, and reduces opportunity to create income to reduce budget pressures. Further risk that low uptake / referrals that resulted from Covid persist negatively impacting outcomes and inequalities.</p> <p>Population health and the wider determinants of health impact, and are impacted by, a broad range of activities LCC undertakes. There is an opportunity to increase the focus on the PH aspects of service area activities and aid in corporate strategy / policy decisions. By engaging more strongly with service areas that impact wider determinants and creating a 'health in all policies' culture across the Council health outcomes across the city could be significantly improved by leveraging a multiplier effect that PH could not achieve alone. Risk is that this is not supported or implemented in a timely fashion and the opportunity is lost.</p>	<p>- Further lockdown would decrease morale across the city and hinder recovery efforts</p> <p>- Negative impact on citizen health and wider PH outcomes and improvements</p> <p>- Static or widening health inequalities</p> <p>- Increased (and sustained) budgetary pressure</p> <p>- Reduced outcomes over time lead to long term budgetary and resource drain that could be reduced by small tweaks to wider LCC activities</p> <p>- Reduced influence on corporate policies and strategy, and significant potential for improvement to wider determinants not capitalised on</p>	<p>- Close monitoring of Covid 19 data and national landscape</p> <p>- Monitoring of at risk health areas to determine level of future need when pandemic subsides</p> <p>- Close relationships built and maintained with service areas around the organisation</p> <p>- Covid response budgets closely mapped and concerns escalated</p> <p>- Consultants appointed to lead on health inequalities and system wide engagement, and health protection / Covid 19 response</p> <p>- Sustained messaging reiterating the importance of following the national guidance to increase awareness</p>	4	4	16	Treat	<p>- Continue with existing controls</p> <p>- Capacity is being added to the team to increase corporate engagement</p> <p>- Ongoing assessment of priority areas to continually determine needs and enable a timely data driven response</p>	3	3	9		Ivan Browne	31.01.2022 Ongoing			

Health and Safety data summary

Work is currently ongoing by the relatively new Corporate Health and Safety Manager to improve both the quality of health and safety data and to ensure robust reporting. The Health and Safety team will remind managers of the need for detailed and accurate reporting where required and as much as possible for the person involved to submit the report for a first-hand account. Improving the quality of data input will allow for better analysis of risks and opportunities for improvement and improve reactive health and safety performance monitoring.

In relation to the latest quarter, the summary data is:

- 150 injuries were reported in the last quarter compared to 106 in Q1.
- 205 Near Misses were reported compared to 177 in the previous quarter.
- 17 incidents of work-related ill health were reported in Q2.

There has been a 26% increase in overall incidents since the last quarter. When compared to the same quarter in 2020-21 there has been a 49% increase overall, this is to be expected given the significant number of staff working from home/virtually or in some cases furloughed last year, and with the service changes and restrictions arising from Covid. It would be anticipated that the statistics would show an increase now many services are back to operating on a less restricted basis.

The proportion of reported near misses to actual loss events still being in favour of near misses is somewhat reassuring at 205 near misses to 150 injuries, however for an organisation the size and scope of LCC this could suggest a poor culture of reporting overall. Studies estimate for every injury there is on average 50 near misses. As reflected above work is ongoing to encourage both the quality and coverage of reporting.

The most common injury trends reported were:

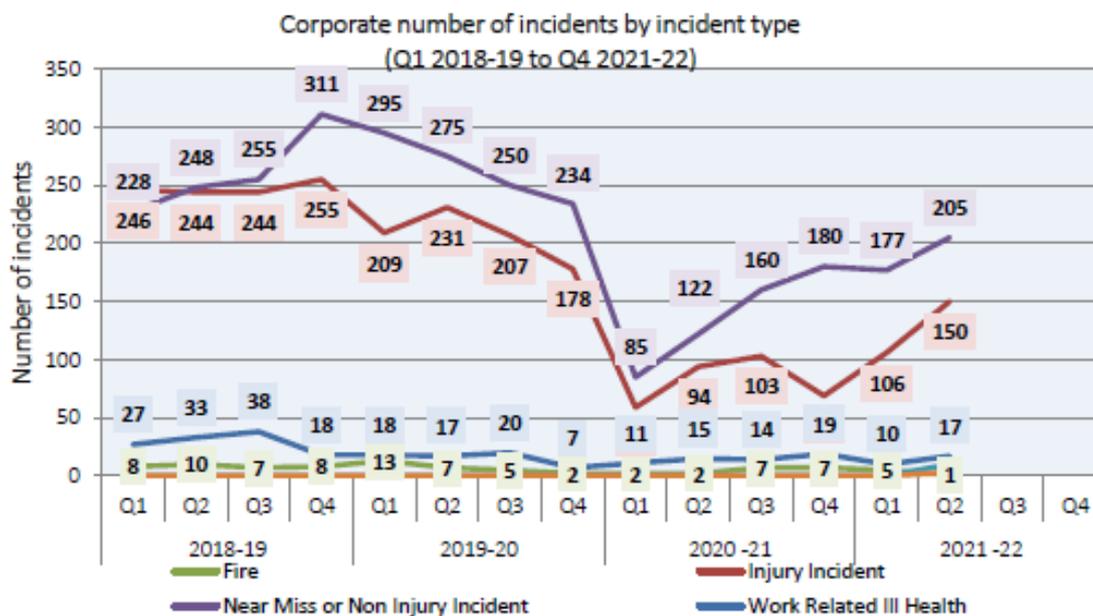
- Slip, Trips and Falls are at the same level they were in Q2 2020 but down 52% compared to the same quarter in 2019 which could be a reflection on more staff working from home.
- Hit by a moving object are back at the same level in Q2 2021 as they were in 2019 after falling in 2020 by 33%.
- Manual Handling - There is a slight increase in manual handling injuries compared to Q2 2020, but these figures are down 27% on compared to Q2 2019 which is encouraging.
- Contact with Sharp Edges - there has been a 50% increase compared to Q2 2019 and an 80% increase compared to Q2 2020.

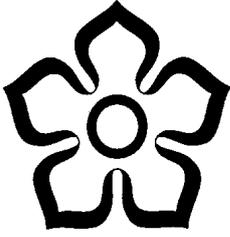
We will continue work to further improve and develop reporting and welcome any feedback from the Audit and Risk Committee on what information they would find helpful in future.

Corporate number of incidents by incident type

		Fire	Injury Incident	Near Miss or Non Injury Incident	Work Related Ill Health	Not Work Related	Observed Hazard	Total
2018-19	Q1	8	246	228	27	0	0	509
	Q2	10	244	248	33	0	0	535
	Q3	7	244	255	38	0	0	544
	Q4	8	255	311	18	0	0	592
2019-20	Q1	13	209	295	18	0	0	535
	Q2	7	231	275	17	0	0	530
	Q3	5	207	250	20	0	0	482
	Q4	2	178	234	7	0	0	421
2020-21	Q1	2	59	85	11	0	0	157
	Q2	2	94	122	15	0	0	233
	Q3	7	103	160	14	0	0	284
	Q4	7	69	180	19	0	0	275
2021-22	Q1	5	106	177	10	0	0	298
	Q2	1	150	205	17	10	3	386
	Q3							
	Q4							

There has been a 26% increase in overall incidents since the last quarter. When compared to the same quarter in 2020-21 there has been a 49% increase overall.





Leicester
City Council

WARDS AFFECTED:
ALL

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Audit and Risk Committee	24 November 2021
Council	25 November 2021

DECISION TO OPT INTO THE NATIONAL SCHEME FOR AUDITOR APPOINTMENTS MANAGED BY PSAA AS THE 'APPOINTING PERSON'

Report of the Deputy Director of Finance

1 PURPOSE OF REPORT

- 1.1 This report sets out proposals for appointing the external auditor to the Council for the accounts for the five-year period from 2023/24 to 2027/28.

2 RECOMMENDATIONS

- 2.1 Audit and Risk Committee is asked to recommend to Council that the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.
- 2.2 Council is recommended to accept Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

3 SUMMARY

- 3.1 The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.
- 3.2 PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local
-

government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

3.3 The report concludes that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:

- collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements;
- if it does not use the national appointment arrangements, the Council will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
- it is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement; and
- supporting the sector-led body offers the best way of ensuring there is a continuing and sustainable public audit market into the medium and long term.

3.4 If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council needs to return completed opt-in documents to PSAA by 11 March 2022.

4 REPORT

4.1 Under the Local Government Audit & Accountability Act 2014 ("the Act"), the Council is required to appoint an auditor to audit its accounts for each financial year. The Council has three options;

- To appoint its own auditor, which requires it to follow the procedure set out in the Act.
- To act jointly with other authorities to procure an auditor following the procedures in the Act.
- To opt into the national auditor appointment scheme administered by a body designated by the Secretary of State as the 'appointing person'. The body currently designated for this role is Public Sector Audit Appointments Limited (PSAA).

4.2 In order to opt into the national scheme, a council must make a decision at a meeting of the Full Council.

4.3 The Appointed Auditor

4.3.1 The auditor appointed at the end of the procurement process will undertake the statutory audit of accounts and Best Value assessment of the Council in each financial year, in accordance with all relevant codes of practice and guidance. The appointed auditor is also responsible for investigating questions raised by electors and has powers and responsibilities in relation to Public Interest Reports and statutory recommendations.

4.3.2 The auditor must act independently of the Council and the main purpose of the procurement legislation is to ensure that the appointed auditor is sufficiently qualified and independent.

4.3.3 The auditor must be registered to undertake local audits by the Financial Reporting Council (FRC) and employ authorised Key Audit Partners to oversee the work. As the report below sets out, there is a currently a shortage of registered firms and Key Audit Partners.

4.3.4 Auditors are regulated by the FRC, which will be replaced by a new body with wider powers, the Audit, Reporting and Governance Authority (ARGA) during the course of the next audit contract.

4.3.5 Councils therefore have very limited influence over the nature of the audit services they are procuring, the nature and quality of which are determined or overseen by third parties.

4.4 Appointment by the Council itself or jointly

4.4.1 The Council may elect to appoint its own external auditor under the Act, which would require the Council to;

- Establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the council itself, and the members of the panel must be wholly or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, excluding current and former elected members (or officers) and their close families and friends. This means that elected members would not have a majority input to assessing bids and choosing to which audit firm to award a contract for the Council's external audit.
- Manage the contract for its duration, overseen by the Auditor Panel.

4.4.2 Alternatively, the Act enables the Council to join with other authorities to establish a joint auditor panel. Again, this would need to be constituted of wholly

or a majority of independent appointees. Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each council under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement.

4.5 The national auditor appointment scheme

4.5.1 PSAA is specified as the 'appointing person' for principal local government under the provisions of the Act and the Local Audit (Appointing Person) Regulations 2015. PSAA let five-year audit services contracts in 2017 for the first appointing period, covering audits of the accounts from 2018/19 to 2022/23. It is now undertaking the work needed to invite eligible bodies to opt in for the next appointing period, from the 2023/24 audit onwards, and to complete a procurement for audit services. PSAA is a not-for-profit organisation whose costs are around 4% of the scheme with any surplus distributed back to scheme members.

4.5.2 In summary the national opt-in scheme provides the following:

- the appointment of a suitably qualified audit firm to conduct audits for each of the five financial years commencing 1 April 2023;
- appointing the same auditor to other opted-in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints;
- managing the procurement process to ensure both quality and price criteria are satisfied. PSAA has sought views from the sector to help inform its detailed procurement strategy;
- ensuring suitable independence of the auditors from the bodies they audit and managing any potential conflicts as they arise during the appointment period;
- minimising the scheme management costs and returning any surpluses to scheme members;
- consulting with authorities on auditor appointments, giving the Council the opportunity to influence which auditor is appointed;
- consulting with authorities on the scale of audit fees and ensuring these reflect scale, complexity, and audit risk; and
- ongoing contract and performance management of the contracts once these have been let.

4.6 Pressures in the current local audit market and delays in issuing opinions

4.6.1 Much has changed in the local audit market since audit contracts were last awarded in 2017. At that time the audit market was relatively stable, there had

been few changes in audit requirements, and local audit fees had been reducing over a long period. 98% of those bodies eligible opted into the national scheme and attracted very competitive bids from audit firms. The resulting audit contracts took effect from 1 April 2018.

- 4.6.2 During 2018 a series of financial crises and failures in the private sector led to questioning about the role of auditors and the focus and value of their work. Four independent reviews were commissioned by Government: Sir John Kingman's review of the Financial Reporting Council (FRC), the audit regulator; the Competition and Markets Authority review of the audit market; Sir Donald Brydon's review of the quality and effectiveness of audit; and Sir Tony Redmond's review of local authority financial reporting and external audit. The recommendations are now under consideration by Government, with the clear implication that significant reforms will follow. A new audit regulator (ARGA) is to be established, and arrangements for system leadership in local audit are to be introduced. Further change will follow as other recommendations are implemented.
- 4.6.3 The Kingman review has led to an urgent drive for the FRC to deliver rapid, measurable improvements in audit quality. This has created a major pressure for audit firms to ensure full compliance with regulatory requirements and expectations in every audit they undertake. By the time firms were conducting 2018/19 local audits during 2019, the measures they were putting in place to respond to a more focused regulator were clearly visible. To deliver the necessary improvements in audit quality, firms were requiring their audit teams to undertake additional work to gain deeper levels of assurance. However, additional work requires more time, posing a threat to the firms' ability to complete all their audits by the target date for publication of audited accounts. Delayed opinions are not the only consequence of the FRC's drive to improve audit quality. Additional audit work must also be paid for. As a result, many more fee variation claims have been needed than in prior years.
- 4.6.4 This situation has been accentuated by growing auditor recruitment and retention challenges, the complexity of local government financial statements and increasing levels of technical challenges as bodies explore innovative ways of developing new or enhanced income streams to help fund services for local people. These challenges have increased in subsequent audit years, with Covid-19 creating further significant pressure for finance and audit teams.
- 4.6.5 None of these problems is unique to local government audit. Similar challenges have played out in other sectors, where increased fees and disappointing responses to tender invitations have been experienced during the past two years.

4.7 The invitation

4.7.1 PSAA is now inviting the Council to opt in for the second appointing period, for 2023/24 to 2027/28, along with all other eligible authorities. Based on the level of opt-ins it will enter into contracts with appropriately qualified audit firms and appoint a suitable firm to be the Council's auditor. Details relating to PSAA's invitation are provided in the Appendices to this report.

4.8 The next audit procurement

4.8.1 The prices submitted by bidders through the procurement will be the key determinant of the value of audit fees paid by opted-in bodies. PSAA will:

- seek to encourage realistic fee levels and to benefit from the economies of scale associated with procuring on behalf of a significant number of bodies;
- continue to pool scheme costs and charge fees to opted-in bodies in accordance with the published fee scale as amended following consultations with scheme members and other interested parties (pooling means that everyone within the scheme will benefit from the prices secured via a competitive procurement process – a key tenet of the national collective scheme);
- continue to minimise its own costs, around 4% of scheme costs, and as a not-for-profit company will return any surplus funds to scheme members. In 2019 it returned a total £3.5m to relevant bodies and in 2021 a further £5.6m was returned.

4.8.2 PSAA will seek to encourage market sustainability in its procurement. Firms will be able to bid for a variety of differently sized contracts so that they can match their available resources and risk appetite to the contract for which they bid. They will be required to meet appropriate quality standards and to reflect realistic market prices in their tenders, informed by the scale fees and the supporting information provided about each audit. Where regulatory changes are in train which affect the amount of audit work suppliers must undertake, firms will be informed as to which developments should be priced into their bids.

4.8.3 The scope of a local audit is fixed. It is determined by the Code of Audit Practice (currently published by the National Audit Office)¹, the format of the financial statements (specified by CIPFA/LASAAC) and the application of auditing standards regulated by the FRC. These factors apply to all local audits irrespective of whether an eligible body decides to opt into PSAA's national scheme or chooses to make its own separate arrangements. The requirements are mandatory; they shape the work auditors undertake and have a bearing on the actual fees required.

¹ MHCLG's Spring statement proposed that overarching responsibility for Code will in due course transfer to the system leader, namely ARGAs, the new regulator being established to replace the FRC.

4.8.4 There are currently nine audit providers eligible to audit local authorities and other relevant bodies under local audit legislation. This means that a local procurement exercise would seek tenders from the same firms as the national procurement exercise, subject to the need to manage any local independence issues. Local firms cannot be invited to bid. Local procurements must deliver the same audit scope and requirements as a national procurement, reflecting the auditor's statutory responsibilities.

4.9 Assessment of options and officer recommendation

4.9.1 If the Council did not opt in, there would be a need to establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the Council itself, and the members of the panel must be wholly or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, excluding current and former elected members (or officers) and their close families and friends. This means that elected members would not have a majority input to assessing bids and choosing to which audit firm to award a contract for the Council's external audit.

4.9.2 Alternatively, the Act enables the Council to join with other authorities to establish a joint auditor panel. Again, this will need to be constituted of wholly or a majority of independent appointees. Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement.

4.9.3 These would be more resource-intensive processes to implement for the Council, and without the bulk buying power of the sector-led procurement would be likely to result in a more costly service. It would also be more difficult to manage quality and independence requirements through a local appointment process. The Council is unable to influence the scope of the audit and the regulatory regime inhibits the Council's ability to affect quality.

4.9.4 The Council and its auditor panel would need to maintain ongoing oversight of the contract. Local contract management cannot, however, influence the scope or delivery of an audit.

4.9.5 The national offer provides the appointment of an independent auditor with limited administrative cost to the Council. By joining the scheme, the Council would be acting with other councils to optimise the opportunity to influence the market that a national procurement provides.

4.9.6 The recommended approach is therefore to opt into the national auditor appointment scheme.

4.10 The way forward

4.10.1 Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt in must be made by a meeting of the Council (meeting as a whole).

4.10.2 The Council then needs to respond formally to PSAA's invitation in the form specified by PSAA by the close of the opt-in period (11 March 2022). This is attached at Appendix B.

4.10.3 PSAA will commence the formal procurement process in early February 2022. It expects to award contracts in August 2022 and will then consult with authorities on the appointment of auditors so that it can make appointments by the statutory deadline of 31 December 2022.

4.11 Risk Management

4.11.1 The principal risks are that the Council:

- fails to appoint an auditor in accordance with the requirements and timing specified in local audit legislation; or
- does not achieve value for money in the appointment process.

4.11.2 These risks are considered best mitigated by opting into the sector-led approach through PSAA.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

It is likely that current external audit fee levels will increase when the current contracts end. It is clear that the scope of audit has increased, requiring more audit work. There are also concerns about capacity and sustainability in the local (external) audit market.

Opting into a national scheme provides maximum opportunity to ensure fees are as realistic as possible, while ensuring the quality of audit is maintained, by entering into a large-scale collective procurement arrangement.

If the national scheme is not used, additional resource would be needed to establish an auditor panel and conduct a local procurement.

Until a procurement exercise is completed, it is not possible to state what additional funds may be required for audit fees from 2023/24.

Colin Sharpe, Deputy Director of Finance, ext. 37 4081

5.2 Legal Implications

The relevant legislation is the Local Audit and Accountability Act 2014 and the subordinate Local Audit (Appointing Person) Regulations 2015. Under the provisions the Council is obliged to:

- appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year
- follow the process contained therein
- allocate the appointment as a function of Council

Through the Act and the Regulations, the Secretary of State has appointed PSAA as the appointing person for the purposes of the audit function. Through the proposal to accept Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors, the Council will be meeting its legal requirement with regards to the appointment of a local auditor as a result of the above legal framework.

The process detailed within the report that will be taken by PSAA to appoint the provider will comply with the procurement requirements and is therefore considered a compliant route of appointment in procurement terms.

Any resulting documentation the Council is required to enter into will need to be reviewed via legal services for a highlight report of terms and also signed in accordance with the constitutional requirements.

Emma Jackman, Head of Law (Commercial, Property and Planning)

Ext.37 4216

5.3 Climate Change and Carbon Reduction implications

There are no significant climate emergency implications associated with this report.

Aidan Davis, Sustainability Officer, ext 37 2284

5.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report recommendation is to accept Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

There are no direct equality implications arising from the report.

Equalities Officer, Surinder Singh, ext 37 4148

5.5 Other Implications

None.

6. Background papers and Other Information

None

7. Is this a private report

No

8. Is this a "key decision"?

No

9. APPENDICES

A Invitation to opt into the national scheme for auditor appointments from April 2023

B Form of notice of acceptance of the invitation to opt in.

REPORT AUTHOR

Colin Sharpe, Deputy Director of Finance

Invitation to opt into the national scheme for auditor appointments from April 2023



22 September 2021

To: Ms Greenhill, Chief Executive
Leicester City Council

Copied to: Ms Greenhill, S151 Officer
Councillor Kaur Saini, Chair of Audit Committee or equivalent

Dear Ms Greenhill,

Invitation to opt into the national scheme for auditor appointments from April 2023

I want to ensure that you are aware the external auditor for the audit of your accounts for 2023/24 has to be appointed before the end of December 2022. That may seem a long way away but, as your organisation has a choice about how to make that appointment, your decision-making process needs to begin soon.

We are pleased that the Secretary of State has confirmed PSAA in the role of the appointing person for eligible principal bodies for the period commencing April 2023. Joining PSAA's national scheme for auditor appointments is one of the choices available to your organisation.

In June 2021 we issued a draft prospectus and invited your views and comments on our early thinking on the development of the national scheme for the next period. Feedback from the sector has been extremely helpful and has enabled us to refine our proposals which are now set out in the [scheme prospectus](#) and our [procurement strategy](#). Both documents can be downloaded from our website which also contains a range of useful information that you may find helpful.

The national scheme timetable for appointing auditors from 2023/24 means we now need to issue a formal invitation to you to opt into these arrangements. In order to meet the requirements of the relevant regulations, we also attach a form of acceptance of our invitation which you must use if your organisation decides to join the national scheme. We have specified the five consecutive financial years beginning 1 April 2023 as the compulsory appointing period for the purposes of the regulations which govern the national scheme.

Given the very challenging local audit market, we believe that eligible bodies will be best served by opting to join the scheme and have attached a short summary of why we believe that is the best solution both for individual bodies and the sector as a whole.

I would like to highlight three matters to you:

1. if you opt to join the national scheme, we need to receive your formal acceptance of this invitation by Friday 11 March 2022;

18 Smith Square, London, SW1P 3HZ

2. the relevant regulations require that, except for a body that is a corporation sole (e.g. a police and crime commissioner), the decision to accept our invitation and to opt in must be made by the members of the authority meeting as a whole e.g. Full Council or equivalent. We appreciate this will need to be built into your decision-making timetable. We have deliberately set a generous timescale for bodies to make opt in decisions (24 weeks compared to the statutory minimum of 8 weeks) to ensure that all eligible bodies have sufficient time to comply with this requirement; and
3. if you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2023. We are required to consider such requests and agree to them unless there are reasonable grounds for their refusal. PSAA must consider a request as the appointing person in accordance with the Regulations. The Regulations allow us to recover our reasonable costs for making arrangements to appoint a local auditor in these circumstances, for example if we need to embark on a further procurement or enter into further discussions with our contracted firms.

If you have any other questions not covered by our information, do not hesitate to contact us by email at ap2@psaa.co.uk. We also publish answers to [frequently asked questions](#) on our website.

If you would like to discuss a particular issue with us, please send an email also to ap2@psaa.co.uk, and we will respond to you.

Yours sincerely

Tony Crawley
Chief Executive

Encl: Summary of the national scheme

Appointing Period 2023/24 to 2027/28

Form of notice of acceptance of the invitation to opt in

(Please use the details and text below to submit to PSAA your body's formal notice of acceptance of the invitation to opt into the appointing person arrangements from 2023)

Email to: ap2@psaa.co.uk

Subject: Leicester City Council Notice of acceptance of the invitation to become an opted-in authority

This email is notice of the acceptance of your invitation dated 22 September 2021 to become an opted-in authority for the audit years 2023/2024 to 2027/2028 for the purposes of the appointment of our auditor under the provisions of the Local Audit and Accountability Act 2014 and the requirements of the Local Audit (Appointing Person) Regulations 2015.

I confirm that **Leicester City Council** has made the decision to accept your invitation to become an opted-in authority in accordance with the decision making requirements of the Regulations, and that I am authorised to sign this notice of acceptance on behalf of the authority.

Name: **[insert name of signatory]**

Title: **[insert role of signatory]** (authorised officer)

For and on behalf of: **Leicester City Council**

Date: **[insert date completed]**



Leicester City Council Audit & Risk Committee
24th November 2021

Progress against Internal Audit Plans

Report of Leicestershire County Council's Head of Internal Audit & Assurance Service

Purpose of Report

1. The purpose of this report is to provide:
 - a. a summary of progress against the 2020-21 & 2021-22 Internal Audit Plans
 - b. information on resources used to progress the plans
 - c. summary information on high importance recommendations and progress with implementing them
 - d. Provide brief information on projects that the Chartered Institute of Public Finance and Accountancy (CIPFA) is currently undertaking that relate to public sector internal audit and audit committees.

Recommendation

2. That the contents of the routine update report be noted.

Background

3. Under the Council's Constitution, the Audit & Risk Committee (the Committee) has duties to monitor performance against the Internal Audit Plan and to receive summaries of Internal Audit reports and the main issues arising.
4. Most planned audits undertaken are 'assurance' type, which requires undertaking an objective examination of evidence to reach an independent opinion on whether risk is being mitigated. For these audits an assurance level is given as to whether material risks are being managed. There are four levels: full; substantial; partial; and little. 'Partial' ratings are normally given when the auditor has reported at least one high importance recommendation, which would be reported to this Committee and a follow up audit would ensue to confirm action had been implemented. Occasionally, the auditor might report several recommendations that individually are not graded high importance but collectively would require a targeted follow up to ensure improvements have been made.

5. Other planned audits are 'consulting' type, which are primarily advisory and guidance to management. These add value, for example, by commenting on the effectiveness of controls designed before implementing a new system.
6. Grants and other returns are audited, but because these are specific or focused reviews of certain aspects of a process in these cases it is not appropriate to give an assurance level. When they are completed, 'certified' is recorded.
7. Follow up audits relating to testing whether recommendations have been implemented from previous years' audits are undertaken. With this type, assurance levels aren't given because not all of the system is being tested. However, the Head of Internal Audit Service (HoIAS) forms a view on whether the situation has improved since the original audit and that is listed.
8. The Internal Audit Service (IAS) continues to operate remotely to follow corporate guidance. It is good to see that more staff have been taking leave, whilst this impacts on delivery of the plan, management have encouraged staff to continue to take their annual leave; this is to assist staff with their health and wellbeing and to avoid large accumulation of leave at the year end.

The number of days delivered has been light over the last few months, due to staff availability and some client delays in starting audits. As reported in the last progress report, competing demands faced by client officers and staff continuing to take annual leave have been contributory factors. As previously reported a short term resource gap in the IAS has further impacted on the delivery of the plan; recruitment of replacements is underway and agency staff will be utilised. Unfortunately, the IAS has also suffered some unplanned covid related and other illnesses which has hampered resource available and progress.

Local Authorities continue to receive a number of COVID 19 related grants, which Internal Audit are required to certify; delays in client responses have hampered completion of some of the grant audits however, this situation is improving. Progress has also been a little slow as in some cases auditors are awaiting client responses to start audits; this situation continues to be monitored through progress meetings with the Leicester City Council client officers.

It is recognised that the days delivered is a little light at this point in the financial year; however, Internal Audit will continue working with the Council's client officers to help progress audits and to ensure there is adequate audit coverage by the year end to enable the HoIAS to provide his annual opinion.

Summary of progress at 28th October 2021

9. **Appendix 1** reports on the position at 28th October 2021. Updates (i.e. closures, movements in status, new starts and postponements) are shown in a **bold font**. The summary position (with comparison to the previous position as at 31st August 2021) is:

	2020/21 @31/08/21	2020/21 @28/10/21	2021/22 @31/08/21	2021/22 @28/10/21
Outcomes				
High(er) Assurance levels	15	16	0	0
Low(er) Assurance levels	2	2	0	0
Advisory	3	3	2	2
Grants/other certifications	23	24	10	14
HI follow ups – completed	3	3	0	0
Audits finalised	46	47	12	16
HI follow ups – in progress	5	5	0	0
In progress	11	9	29	27
Not yet started	0	0	29	26
Postponed/Rescheduled/ Cancelled	23	23	4	5

Resources used as at 28th October 2021

To close off 2020-21 audits and start and progress 2021-22 audits (reported in Appendix 1), and provide additional work relating to requirements such as planning, reporting to Committees etc, 28th October 2021, Leicester City Council had received days of internal audit input delivered (see below table).

	@28/10/21	@ 28/10/21
By type	Days	%
Audits	244	81
Client management	58	19
Total	302	100
By position		
HoIAS	11	3
Audit Manager	75	25
Audit Senior (incl. ICT)	51	17
Audit Other	165	55
Total	302	100
Relating to prior years audits (*)	67	27
Relating to audits started 2021-22	177	73
Total	244	100%

(*) These days were utilised either concluding previous years audits or following up on the progress made with implementing audit recommendations where low assurance levels had been reported.

Progress with implementing high importance recommendations

10. The Committee is also tasked with monitoring the implementation of high importance (HI) recommendations which primarily lead to low assurance levels. **Appendix 2** provides a short summary of the issues and the associated recommendations. The relevant manager's agreement (or otherwise) to implementing the recommendation(s) and the implementation timescale is also shown. Recommendations that have not been reported to the Committee before or where some update has occurred to a previously reported recommendation are shown in **bold font**. Entries remain on the list until the HoIAS has confirmed (by gaining evidence or even specific re-testing by an auditor) that action has been implemented.
11. As part of the process of determining his annual opinion, the HoIAS takes account of how management responds to implementing high importance recommendations. Responses are generally positive and there is recognition (especially with covid disruptions) that some recommendations do require more time to fully implement.
12. To summarise movements within Appendix 2 as at 28th October 2021:
 - a. New – None
 - b. Ongoing/extended - GDPR; Financial Management & School Governance - LA Scheme for the Financing of Schools; Financial Management & School Governance - SEND funding (part); Social Value within Procurement; Government Procurement Card (GPC).
 - c. Closed – None

Projects undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) relating to internal audit and audit committees

13. CIPFA is undertaking a major research project looking at internal audit in the public services. It is keen to understand how internal audit is contributing most to their organisations and its future potential. This research is part of CIPFA's commitment to supporting the internal audit profession, good governance and strong public financial management. The findings and conclusions of the research will be published by CIPFA in early 2022. The report will support all those with an interest in effective internal audit in the public services.
14. One aspect of the project is a survey of internal auditors and their clients. CIPFA is keen to receive as wide a view of possible from across from the public services and obtain the perspectives of both internal auditors and those who rely on the work of internal audit. The HoIAS, the Deputy Director of Finance and the Chair of the Audit & Risk Committee each responded to the survey.

15. Over the summer, the former Ministry of Housing, Communities and Local Government (now known as the Department of Levelling Up, Housing and Communities (DLUHC)) conducted a technical consultation on the Government's planned responses to the Redmond Report. The consultation was predominantly about changes to local (external) audit arrangements but also included proposals to strengthen audit committee arrangements within councils. This related to Redmond's recommendations on, 'Enhancing the functions of local audit and the governance for responding to its findings'.
16. CIPFA has been part of a working group of relevant stakeholder organisations which has considered how to improve the effectiveness of local audit by ensuring that there are arrangements in place so that local (external) audit reports and recommendations are effectively considered and acted upon by local authorities. In its response CIPFA supported: -
- a) Until guidance to audit committees is strengthened (see below), local authorities should review the existing structure of their audit committees to consider whether their arrangements support effectiveness.
 - b) Undertaking a review of its 'Audit Committees, Practical Guidance for Local Authorities and Police'. It is intended that the updated publication will be available by April 2022. As the guidance will have no statutory backing, CIPFA considers that it is essential that once the guidance is completed it receives the support of key stakeholders, including DLUHC. This will encourage its widespread adoption.
 - c) A view that local (external) auditors are well placed to identify any bodies that are struggling to make improvements to their audit committee effectiveness or do not attach sufficient weight to this aspect of their governance. CIPFA is of the view that the local audit framework should ensure that auditors are prepared to make comments and recommendations where improvement is required.
 - d) A view that mandating the audit committee would have additional benefits beyond tackling problem areas
 - e) A proposal that local (external) auditors should be required to present an annual report to full Council, and that the audit committee should also report its responses to the local (external) auditor's report. CIPFA sees it as important that the local auditors can engage directly with the audit committee for a full discussion of the matters underpinning the report and that the committee should take the lead in making recommendations on how the auditor's findings should be addressed. Presenting the committee's response to the body charged with governance (e.g. full council) alongside the auditor's annual report provides assurance on how effectively the audit committee is leading on addressing auditor concerns.
 - f) The comments in the consultation on the importance of internal audit and the need to ensure that local government bodies maintain an effective internal audit, taking into account the requirements of the Public Sector Internal Audit Standards (2017), the Local Audit Application Note (2019) and that governance arrangements for internal audit are in accordance with the CIPFA Statement on the Role of the Head of Internal Audit.

17. The DLUHC conclusions will be considered and will be reported to a future meeting of the Committee.

Financial Implications:

18. None

Legal Implications:

19. None.

Equal Opportunities Implications

20. There are no discernible equal opportunities implications resulting from the audits listed.

Climate Emergency Implications:

21. None

Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

22. No.

Is this a “key decision”? If so, why?

23. No.

Background Papers

The Constitution of Leicester City Council
Accounts and Audit Regulations (Amendment) 2015
The Public Sector Internal Audit Standards (revised from April 2017)
The Internal Audit Plans 2020-21 and 2021-22

Officer to Contact

Neil Jones, Head of Internal Audit & Assurance Service
Leicestershire County Council
Tel: 0116 305 7629
Email: neil.jones@leics.gov.uk

Appendices

Appendix 1 - Summary of Internal Audit Service work undertaken between 31st August 2021 – 28th October 2021

Appendix 2 - High Importance Recommendations as at 28th October 2021.

Appendix 1: Summary of Internal Audit Progress Report as at 28th October 2021

Appendix 1: Leicester City Council 2021-22 Audit Plan (includes 2020-21 b/fwd) - Finalised as at 28.10.2021

Audit Plan Yr	Plan State	Client Title	Audit Plan Area Names	Audit Title	Assurance Level
2019-20	Planned	Leicester City Council	Grant Certification	Regional Growth Fund - RGF 3	Certified
2020-21	Planned	Leicester City Council	IT & Governance	BACs & DD	Substantial Assurance
2020-21	Planned	Leicester City Council	Contract & Procurement	Contract Audit - Highways Contract	Substantial Assurance
2020-21	Planned	Leicester City Council	Systems	Early Years	Substantial Assurance
2020-21	Added to Plan	Leicester City Council	Grant Certifications	COVID 19: Additional Dedicated Home to School & College Transport - Tranche 2	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	LLEP - BEIS Growth Hub - Core	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	LLEP - BEIS Growth Hub – supplementary	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	LLEP - BEIS- EU transition funding	Certified
2021-22	Added to plan	Leicester City Council	Grant Certifications	Spinney Hill - Tailored Support Programme	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	National Productivity and Investment Fund	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	Leaseholder Accounts	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	DfT Block Funding Capital Grant - Integrated Transport Highway Maintenance (No: 31/5036)	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	DfT Block Funding Capital Grant - Highways Maintenance Challenge Fund and Pothole & Challenge Fund(No: 31/5072)	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	Supporting Families (Previously referred to as Troubled Families) - Claim 1	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	Adriatic Land 7 Limited Service Charges	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	Supporting Families (Previously referred to as Troubled Families) - Claim 2	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	Bus Services Operators Grant (BSOG)	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	Green Homes Grant - Phase 1a	Certified
2021-22	Planned	Leicester City Council	Grant Certifications	Disabled Facilities Capital Grant	Certified
2021-22	Added to plan	Leicester City Council	IT & Systems	MOT Booking Systems (Advisory)	Completed
2021-22	Added to plan	Leicester City Council	Systems & Governance	Stock Order Process (Advisory)	Completed

Leicester City Council : 2021-22 Audit Plan (includes 2020-21 b/fwds) - Status as at 28.10.2021

Audit Plan Yr	Plan State	Client Title	Audit Plan Area Names	Audit Title	Current Milestone
2019-20	Planned	Leicester City Council	Compliance Audit	Planning Enforcement	Revised Draft
2020-21	Planned	Leicester City Council	Systems	Disabled Facilities System Review	Draft Report
2020-21	Planned	Leicester City Council	Contract & Procurement	Contract Audit - Housing	Work in Progress
2020-21	Planned	Leicester City Council	Contract & Governance	Construction contracts	Work in Progress
2020-21	Planned	Leicester City Council	IT & Information Assurances	Data analytics	Work in Progress
2020-21	Planned	Leicester City Council	IT & Governance	Digital Transformation	Work in Progress
2020-21	Planned	Leicester City Council	Governance & risk management	Climate change and carbon emissions	Work in Progress
2020-21	Planned	Leicester City Council	IT & Information Assurances	IT Audits - Key ICT controls	Work In Progress

2020-21	Added to Plan	Leicester City Council	Grant Certifications	COVID-19 Bus Service Support Grant (CBSSG) Restart - Tranche 2/3/4/5	Work in Progress
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Leicester City Council : 2021-22 Audit Plan (includes 2020-21 b/fwds) - Status as at 28.10.2021

Audit Plan Yr	Plan State	Client Title	Audit Plan Area Names	Audit Title	Current Milestone
2021-22	Planned	Leicester City Council	Systems & Governance	Housing Stores	Work in Progress
2021-22	Planned	Leicester City Council	Systems	B&B Emergency Planning (Phase 2)	Work in Progress
2021-22	Planned	Leicester City Council	Risk Management	Risk Management & Business Continuity Framework	Work in Progress
2021-22	Planned	Leicester City Council	Systems & Governance	Finance Roles & Responsibility	Work In Progress
2021-22	Planned	Leicester City Council	Systems & Governance	COVID 19 - Restart Grant (Businesses)	Work In Progress
2021-22	Planned	Leicester City Council	Governance	LA involvement with Private Companies - Element 1	Work in Progress
2021-22	Planned	Leicester City Council	Governance	Contract Audit - Supply chain management	Work In Progress
2021-22	Planned	Leicester City Council	Significant Financial Systems	Major Financial Systems(MFS) Audit - Council Tax/NNDR	Work In Progress
2021-22	Planned	Leicester City Council	Significant Financial Systems	Major Financial Systems(MFS) Audit - Payroll	Work In Progress
2021-22	Planned	Leicester City Council	Systems & Governance	Residential Financial Assessment	Work In Progress
2021-22	Added to Plan	Leicester City Council	Grant Certifications	Procurement: Publishing Obligations Under the Local Government	Work In Progress
2021-22	Planned	Leicester City Council	Schools	Schools Financial Audits - St Mary's Fields Primary	Work In Progress
2021-22	Planned	Leicester City Council	Schools	Schools Financial Audits - Eyres Monsell Primary School	Work In Progress
2021-22	Planned	Leicester City Council	Governance	Contract Audit - Contract arrangements during the COVID 19 period	Work In Progress
2021-22	Planned	Leicester City Council	Contract & Governance	Taxi Contract	Work In Progress
2021-22	Planned	Leicester City Council	IT & Information Assurances	Tracking database	Work In Progress
2021-22	Planned	Leicester City Council	Grant Certifications	COVID 19: Additional Dedicated Home to School & College Transport - Tranche 3/4/5/6/7	Work In Progress
2021-22	Planned	Leicester City Council	Systems & Governance	Tax Digital	Planning
2021-22	Planned	Leicester City Council	Governance	Governance changes	Planning
2021-22	Planned	Leicester City Council	Schools	Management and governance of maintained schools	Planning
2021-22	Planned	Leicester City Council	Governance	Contract Audit - Children Services Contract	Planning
2021-22	Planned	Leicester City Council	Governance	Contract Audit - Implementation of the new Contract Procedure Rules.	Planning
2021-22	Planned	Leicester City Council	Schools	Schools Financial Audits	Planning
2021-22	Planned	Leicester City Council	Grant Certifications	LLEP - Peer Network Funding	Planning
2021-22	Planned	Leicester City Council	Risk Management	Fire risk in owned and occupied buildings	Planning
2021-22	Planned	Leicester City Council	Systems & Governance	Direct Payments	Planning
2021-22	Planned	Leicester City Council	Systems & Governance	Bus Lane Penalty Enforcements	Planning
2021-22	Planned	Leicester City Council	Grant Certifications	Supporting Families (Previously referred to as Troubled Families) 3&4	Not Started
2021-22	Planned	Leicester City Council	IT & Information Assurances	Data analytics	Not started
2021-22	Planned	Leicester City Council	IT & Information Assurances	IT Audit - Key ICT controls - standard audit	Not started
2021-22	Planned	Leicester City Council	IT & Information Assurances	IT Audits : Unit 4 - Phase 2 (Q3/Q4) - payables/receivables	Not started
2021-22	Planned	Leicester City Council	IT & Information Assurances	IT Audits : Homeworking arrangements - cyber security	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	Ultra Low Emissions Vehicle (ULEV) Taxi Infrastructure Grant	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	Transforming Cities Grant (TCF1)	Not started
2021-22	Planned	Leicester City Council	Governance	Critical Incidence	Not started
2021-22	Planned	Leicester City Council	Systems	Climate change and carbon emissions	Not started
2021-22	Planned	Leicester City Council	Governance	Smoking Cessation	Not started
2021-22	Planned	Leicester City Council	Governance	LA involvement with Private Companies - Element 2	Not started

2021-22	Planned	Leicester City Council	Systems	Section 106 Agreements	Not started
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Leicester City Council : 2021-22 Audit Plan (includes 2020-21 b/fwds) - Status as at 28.10.2021

Audit Plan Yr	Plan State	Client Title	Audit Plan Area Names	Audit Title	Current Milestone
2021-22	Planned	Leicester City Council	Grant Certifications	LLEP - European Regional Development Fund (ERDF)	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	LLEP - European Social Fund (ESF)	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	BEIS Public Sector Decarbonisation Scheme	Not started
2021-22	Planned	Leicester City Council	Systems & Governance	Digital projects	Not started
2021-22	Planned	Leicester City Council	Systems & Governance	Health & Safety function	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	School Centred Initial Teacher Training (SCITT)	Not started
2021-22	Planned	Leicester City Council	IT & Information Assurances	NHS Health Check	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	Active Travel Fund (Tranche 2)	Not started
2021-22	Planned	Leicester City Council	Governance	LLEP	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	Basic Needs Grant	Not started
2021-22	Planned	Leicester City Council	Systems & Governance	Non Residential Financial Assessment	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	COVID-19 Bus Service Support Grant (CBSSG) Restart - Tranche 6/7/8	Not started
2021-22	Planned	Leicester City Council	Grant Certifications	Green Homes Grant - Phase 1b	Not started

Leicester City Council : Audit follow ups as at 28.10.2021

Audit Plan Yr	Plan State	Client Title	Audit Plan Area Names	Title	Current Milestone
2019-20	Planned	Leicester City Council	Governance	Financial Management & School Governance - SEND	In progress
2019-20	Planned	Leicester City Council	IT & Information Assurances	GDPR	In progress
2019-20	Planned	Leicester City Council	Governance	Financial Management & School Governance - LA Scheme for the Financing of Schools	In progress
2019-20	Planned	Leicester City Council	Contracts	Social Value in Procurement	In progress
2019-20	Planned	Leicester City Council	Systems & Governance	Government Procurement Cards	In progress

Leicester City Council 2021-22 Audit Plan - Postponed or cancelled as at 28.10.2021

Audit Plan Yr	Plan State	Client Title	Audit Plan Area Names	Title	Current Milestone
2021-22	Planned	Leicester City Council	IT & Information Assurances	IT Audits - Automated Call distribution project	Cancelled
2021-22	Planned	Leicester City Council	IT & Information Assurances	IT Audits - VDI rollout	Cancelled
2021-22	Planned	Leicester City Council	Systems & Governance	Recruitment System	Postponed to 2022/23
2021-22	Planned	Leicester City Council	Governance	Procurement of Contracts - Post Brexit	Cancelled
2021-22	Planned	Leicester City Council	Contract & Governance	Third Party Operators	Postponed to 2022/23

High Importance Recommendations – Position at 28th October 2021

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<u>Audit Title (Owner)</u>	<u>Summary of Finding(s) and Recommendation(s)</u>	<u>Management Response</u>	<u>Action Date (by end of)</u>	<u>Confirmed Implemented</u>
Reported July 2021				
Government Procurement Cards (Chief Accountant)	<p>This report was finalised in March 21, whilst no Hi Importance recommendations were raised, there were a number of medium recommendations which has resulted in a Partial assurance being given. Some of the key weaknesses related to:</p> <ul style="list-style-type: none"> • absence of receipts and VAT invoices • lack of managers approval of new applications and review of submitted claims • no checks to deactivate cards after staff have left • no review to ensure continued business need for the cards. 	<p>The main team has been impacted by the organisation review, so in real terms will not be able to accommodate a follow-up audit until Q4. Further internal audit follow-up is now planned in Qtr4 to ensure improvements have been made.</p>	<p>Sept 21 Extend to Feb 22</p>	
Reported March 2021				
Social Value within Procurement (Head of Procurement Services)	<p>One High Importance recommendation was made in this audit report.</p> <p>Finding: Sample testing identified:</p> <ul style="list-style-type: none"> • Monitoring arrangement for Social Value (SV) Key Performance Indicators (KPIs) was not specified in the sample contracts 	<p>Action is ongoing to implement this by the revised deadline. Tenders have been received and are being evaluated with the aim to award a contract before the end of Dec 2021.</p>	<p>July 21 Extended to Dec 21</p>	

	<ul style="list-style-type: none"> there was no evidence to confirm that contract managers were monitoring the suppliers to ensure they had delivered their commitments and fulfilled their contractual obligations with regards to SV. <p>Recommendation: The monitoring arrangements of SV - KPI's should be determined and included in the contract; these should be actively monitored by contract managers and periodically reported.</p>			
Reported June 2020				
Schools' Governance – LA Scheme for Financing Schools (Principal Accountant, Education and Children's Services)	<p>The Audit highlighted one High Importance recommendation:</p> <p>Finding: The Scheme for Financing has not been amended to reflect the mandatory revisions as notified in the DfE directed revisions dated 19/08/2015 or 22/03/2018.</p> <p>Recommendation: The Scheme for Financing Schools should be updated to reflect any directed revisions as notified by the DfE.</p>	<p>Finalising the Scheme for Financing Schools document is taking longer than anticipated as major updates need to be done. An extension has been requested to December 21</p>	<p>June 20</p> <p>Dec 20</p> <p>June 21</p> <p>Aug 21</p> <p>Oct 21</p> <p>Extend to Dec 21</p>	
GDPR (Data Protection Officer - DPO)	<p>Within the earlier audit (Nov 18) it was confirmed that although Information Asset Registers (IAR) had been completed by relevant sections, gaps had yet to be identified – this could potentially lead to</p>	<p>1. A revised draft of the Business Case for resourcing is due to be submitted to Senior Management by the end of October 2021.</p>	<p>Jan 2021</p> <p>June 2021</p> <p>Sept 2021</p>	

	<p>Data/Information breaches as gaps in compliance are not identified.</p> <p>Two High Importance recommendations were made:</p> <ol style="list-style-type: none"> 1. The Data Protection Officer should put forward a proposal to Senior Management if it is considered there is a need for additional resources to be allocated to undertake meetings with the Information Asset Owners in order to complete the IAR's and associated action plans. 2. Meetings with Information Asset Owners should be undertaken as a matter of urgency to identify possible gaps in meeting Data Protection Act requirements. These gaps should then form sectional action plans which the relevant section should be monitored against. 	<p>2. The Records of Processing Activity has recently been updated. Once extra resource has been put in place to ensure that meetings can be held with Information Asset Owners. If funding is agreed the Information Governance Team will need a few months to reorganise and recruit. The Information Sharing Register has been reviewed and several actions are to be prioritised on reviewing some Information Sharing Agreements.</p>	<p>Extend to Dec 2021</p> <p>Extended to Jan 2022</p>	
Reported November 2019				
SEND Funding (Director Adult Social Care & Commissioning)	<p>This audit identified a number of significant areas for improvement; four High importance recommendations were included in the report:</p> <ol style="list-style-type: none"> 1. A lack of quality assurance checks to confirm that SEND funding was being spent appropriately, with a particular focus on value for money and children's outcomes. 2. No clear policy or process in place to allow the LA to identify and use clawback procedures to reclaim any unspent or incorrectly spent SEND funds. 3. Lack of robust reporting mechanisms to allow the Special Education Service (SES) team to track and trace changes to pupil 	<p>All recommendations from the initial audit report were agreed by management. Testing undertaken to determine the progress made against the individual high importance recommendations, only one remains in progress</p> <ol style="list-style-type: none"> 2. Clawback conditions have been drafted and passed to the Senior Accountant (Schools) to be included in the finance document for schools in Leicester. This is awaiting to be presented and agreed at the next Schools Forum (scheduled for the Autumn term) prior to it being formalised in the Scheme for Financing Schools. <p>Awaiting further update in time for Committee</p>	<p>Nov 19</p> <p>June 20</p> <p>Feb 21</p> <p>Jun 21</p> <p>Extended to Oct 21</p>	<ol style="list-style-type: none"> 1. Yes 2. Partially 3. Yes 4. Yes

	circumstances in a timely manner, which can lead to overpayments being made to a school. 4. There was no clear reconciliation procedures to ensure payments made to individual providers are accurate and in line with approved rates.			
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Audit/A&RC/211124/Appendix 2 HI Progress Report
Last Revised 28th October 2021

DRAFT Audit & Risk Committee Workplan 2021/22

Workplan Item	Author	Frequency	Purpose
July 2021			
Training Session - Statement of Accounts			
Schedule of Meetings	Deputy Director of Finance	Annual	Committee to Note
External Audit Plan 2021-22 & Informing the Audit Risk Assessment	Grant Thornton, External Auditor	Annual	Committee to note
Draft Statement of Accounts & Annual Governance Statement	Chief Operating Officer (S151)/ Chief Accountant	Annual	Committee to note
Regulation of Investigatory Powers Act 2000 - Bi-Annual Performance Report January 2021 – June 2021	Head of Information Governance and Risk	Bi-Annual	Committee to Note
National Fraud Initiative Update (delayed from March 2021)	Corporate Investigations Manager	Mid Year	Committee to Note
Counter Fraud Annual Report 2020/21	Corporate Investigations Manager	Annual	Committee to Note
Draft of the Committee's Annual Report to Council 2020/21 (ensure on Council agenda)	Deputy Director of Finance	Annual	Approval
Internal Audit 2020/21 Q4 update	Head of Internal Audit	Periodic	Committee to note
Internal Audit Service – Annual Report 2020/21	Head of Internal Audit	Annual	Committee to note
Further update on developments in local (external) audit arrangements	Head of Internal Audit	Periodic	Committee to note
September 2021			
Training Session - Audit Opinion including Value for Money			
Statement of Accounts, Annual Governance Statement & ISA260	Chief Operating Officer (S151)/ Chief Accountant	Annual	Approval
Annual Procurement Update	Head of Procurement	Annual	Committee to note
Internal Audit update report	Head of Internal Audit	Periodic	Committee to note
November 2021			
Training - Corporate Fraud			
External Audit Update Report	Grant Thornton, External Auditor	Periodic	Committee to note
Counter Fraud mid-year Update Report	Corporate Investigations Manager	Bi-Annual	Committee to note
Risk Management Update report	Manager, Risk Management	Bi-Annual	Committee to note
Annual Insurance Report	Head of Finance	Annual	Committee to note
Procurement of External Auditor for 2023/24 to 2027/28	Deputy Director of Finance		Committee to note
Annual Report on the National Fraud Initiative	Corporate Investigations Manager	Annual	Committee to note
Internal Audit update report	Head of Internal Audit	Periodic	Committee to note
12 January 2022 - Special Meeting			
Annual Audit Letter & VFM Opinion	Grant Thornton	Annual	Committee to note
Annual review letter (Ombudsman) 2020/21	Head of Revenues and Customer Support	Annual	Committee to note
Corporate Complaints (Non Statutory) 2020/21	Head of Revenues and Customer Support	Annual	Committee to note
Financial Update Report	Chief Accountant	Periodic	Committee to note
March 2022			
Training - RIPA (30 min)			
Annual Report - Certification of claims and returns (grants)	Grant Thornton, External Auditor	Annual	Committee to note
External Audit Plan 2021-22 & Informing the Audit Risk Assessment	Grant Thornton, External Auditor	Annual	Committee to note
Regulation of Investigatory Powers Act 2000 - Bi-Annual Performance	Head of Information Governance and Risk	Bi-Annual	Committee to note
Risk Management Update	Manager, Risk Management	Bi-Annual	Committee to note
Risk Management & Business Continuity Strategy and Policies 2022	Manager, Risk Management	Annual	Committee to note
The Assurance Framework on which we will base the Annual Governance Statement, including annual review of			
Local Code of Corporate Governance and the annual review of the Committee's Terms of Reference	Chief Accountant	Annual	Approval
Internal Audit Service - Annual Plan 2022-23	Head of Internal Audit	Annual	Approval

